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ABSTRACT

Developed as part of the Starting and Managing Series, this manual on managing employment agencies is primarily concerned with the placement of clerical, professional, technical, executive, and administrative personnel. Specific topics discussed in the manual are: (1) What Is An Employment Agency? (2) Is This The Right Business For You? (3) Getting Started--Three Alternatives, (4) Starting Up, (5) Forms and Systems, (6) Obtaining Job Orders From Employers, (7) Getting Applicants To Fill Your Job Orders, (8) Interviewing Applicants, (9) Placing Applicants, (10) Agency Fees and Accounting, (11) Selecting, Training, and Compensating Counselors, (12) State Laws Regulating Employment Agencies, (13) Fair Employment Practices, and (14) Where To Get Further Information. Included tnrcughout the manual are examples of work forms useful in managing an emplcyment agency. (JS)

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Volume 22

Starting and Managing an

EMPLOYMENT AGENCY

By Maxwell Harper and Arthur R. Pell

Small Business Administration

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Starting and Managing an Employment Agency is issued as part of the management and technical publications program of SBA's Office of Management Assistance, Education Division, Wendell O. Metcalf, Chief. It was edited by June Fitzpatrick under the administrative direction of Bruce Goodpasture, Principal Technical Editor. Cover art was designed and prepared by James W. Truett.

1

What Is an Employment Agency?

WHAT IS AN EMPLOYMENT AGENCY? To the community, it serves the role of broker between jobseeker and employer. To the jobseeker, especially the young person, it can help realize his dream of a career. To the employer, it can eliminate the nightmare of screening hundreds of ill-qualified jobseekers, and give assurance of well-placed employees long into the future. To the prospective agency owner, it can mean a growing business with a challenge, one with real community prestige, one that gives the satisfaction of helping people as well as offering financial rewards.

In providing its services, the private employment agency brings together the jobseeker who wishes to sell his skills or potential skills and the employer who is seeking these skills. When such a "marriage" occurs, the agency earns a fee which is paid either by the employer or by the job applicant or, in certain situations, is shared by both.

This is a service type of business where capital requirements to start may be small—modest office rent plus equipment, for instance. On the other hand, investment in brains, training, and interest in serving people can be made to pay. Another

special characteristic of the business is that it is a regulated one, to a degree, since State requirements may include licensing and posting of a bond.

Rise and Growth of Employment Agencies

Modern employment agencies began in the late 1800's when the country's industrial growth demanded huge increases in the labor force. The development of big industries like railroads, mines, steel and iron industries, and oil industries—along with the consumer goods—made it necessary to bring large numbers of workers into areas of rapid industrial growth. This encouraged both immigration and also relocation of many American workers. Employment agencies emerged for the first time to meet this industrial expansion. They recruited personnel from rural areas for the city's industries. They found and placed new immigrants—both skilled and unskilled—for companies throughout the country.

During and after World War I, a change in the nature of the employment agency occurred. Employment agencies began to concentrate more and more on filling clerical and secretarial jobs. During the depression of the 1930's, they became a major source of personnel for companies that used them to screen applicants who would have overwhelmed their employment departments in applying for a single job opening. This growth in importance was paralleled by a growth in the number of employment agencies—from about 2,500 just before World War I to the present estimated total of more than 8,000. The recent appearance of franchises in this type of business will undoubtedly add to further increases in the future.

Characteristics of Employment Agencies

The role of the employment agency has, for the most part, been played in cities where there are large concentrations of the labor force. In the very small town, everyone knows who and where the employers are and most jobseekers can apply directly. There is very little need for an employment agency to act as an intermediary between the jobseeker and the em-

ployer. In addition, they are often brought together by information contained in news stories and advertising in the local newspaper, and by information obtained at church and civic meetings and from friends.

As communities grow, they reach a point where jobseekers no longer know everyone else in town. It is at this point that the need for the employment agency is created.

By contrast, it is obvious that in the large urban centers the efforts of employers to communicate their needs to prospective employees become increasingly difficult. Here, in the cities, the employment agency performs an important role as the "broker"—bringing together the employee who seeks to sell his services and the employer who wishes to buy such services.

Along with the increase in the number of agencies has come a change in the type of services they offer and the method in which their services are performed. Since World War II, employment agencies have become more specialized and have added more and more job categories to their service. They have become a marketplace for technical, professional, and executive jobs as well as the clerical, trainee, and skilled and semi-skilled jobs that they had previously handled.

Employment agencies, today, vary as to their size, the services offered, the degree of specialization, location, and internal setup. Only in small communities do the agencies serve all comers. In large towns and cities, they tend to serve a specialized segment of the work force and the employers of that work force. (An exception, perhaps, is the very large employment agency which may have as many as twenty or thirty "desks" to serve every need.)

Some agencies work only with a single skill such as data processing, advertising, or engineering. Most common is the "white collar" agency which places clerical, professional, technical, executive, and administrative personnel. Other common divisions serve "blue collar" workers (factory, production workers, and craftsmen), domestics, unskilled workers, babysitters, farmworkers, nurses, models, theatrical personnel and teachers. Each is highly specialized and has its own methods of doing business. The material in this book will be particularly geared to the "white collar" agency.

2

Is This the Right Business for You?

CHOOSING THE RIGHT BUSINESS may be the most important decision in your life. Therefore, you should exercise extreme care, before deciding to enter the employment agency field. Perhaps the best way to do this is to take a personal inventory of your own qualities, family circumstances, and finances.

In judging your prebusiness assets, you should be guided by (1) your knowledge of business in general as well as the employment agency business; (2) your temperament and personal qualities; and (3) your financial adequacy. The following questions wiil assist you in determining whether owning and managing an employment agency is right for you.

Knowledge and Business Ability

Can you make sound business decisions?

As a small businessman, you are required to make many business decisions. You will have to select a site, furnish an office, deal with vendors and suppliers, hire and train personnel, plan advertising, and promote sales. You will also need to set

up realistic budgets, make collections, keep records, and pay taxes. You need not be an expert in any of these specific areas, since you can learn much on the job, but familiarity with sound business practices is a decided asset.

Have you management ability?

A small business demands many kinds of management know-how. You must be able to manage your own time for maximum productivity. You must select and train your own staff. As that staff grows, you have the added challenge of delegating authority without losing control. For that staff, you have to set the pace and to supply leadership, motivation, and discipline. In addition, you must be able to prepare advertising and measure its results, Finally, you must be able to maintain good relations with employers and with applicants. You will find that your organization is a reflection of yourself, and therefore you must at all times set an example for your staff to follow.

Do you have the right background, education, or knowledge?

No minimum educational requirement applies to all types of agencies. However, your education must be sufficient to deal with the kinds of personnel you intend to serve. To place babysitters or domestics, you need less education than to serve accountants, engineers, or scientists.

If your clients are chiefly at the college level, you should have a college education. If you intend to specialize—a growing tendency—it is desirable to have some background in the particular industry, profession, or trade which you will serve. However, what is needed to place engineers—for instance—is not a college degree in engineering but an understanding of the work which the engineer is required to perform. If you do not have such necessary knowledge, it is helpful to hire a counselor who does.

Temperament and Personal Qualifications

What is your motivation?

If you see a business of your own as an escape—from holding an unsatisfactory job or from looking for a more satisfactory one—you may find as many frustrations in owning your

own employment agency. If, on the other hand, you see small business as a challenge, as an opportunity to benefit from your own efforts and to increase your earnings potential, you have a much better chance of success.

Have you perseverance?

In conducting a business, perseverance often makes the difference between success and failure. If you are to be successful, you must be able to set a realistic goal and have the perseverance to follow through. Moreover, once you have people working for you, you must be able to convey to them the need for similar perseverance.

Such perseverance applies even to simple rules like reporting for work on time, filling in the necessary reports, and making the required number of customer contacts. In motivating your people to reaching higher productivity goals, you will find continual challenge.

Have you self-discipline?

Can you organize yourself and your workday so that you as an individual can function at your own maximum efficiency? Can you keep cool under fire? Can you endure disappointment and maintain your composure? Are you aware that in order to control others, you must be able to control yourself?

Do you have self-confidence?

Unless you have confidence in your own capabilities, you cannot inspire confidence in your own staff, customers, and the public.

Do you have enthusiasm?

The corollary to self-confidence is enthusiasm. You must sincerely believe in what you are doing in order to communicate its value to others.

Do you have salesmanship?

Since employers seldom find the "perfect" candidate, and applicants seldom find the "perfect" job, the employment agency often acts as the friendly middleman who persuades both sides to compromise. To do this, you must be a good listener so that you can match the wishes of an applicant with the require-

ments of the employer. Therefore, good salesmanship is the very essence of the agency's service.

How is your health?

The owner of an employment agency must have enough energy and good health to cope with hard work, disappointments, frequent schedule changes, long hours, and unforeseen problems—and still be able to function. Unless your physical and emotional health is equal to those stresses and strains, you should not consider going into a business of your own.

Will your family favor this enterprise?

A small business is almost always a family affair. Your wife should understand and support your decision to go into this business. Very often, husband-and-wife teams have been very successful in operating employment agencies. Even if your wife does not plan to be active in the business, it is most important that she should understand and support your venture.

Financial Requirements

Are you adequately financed?

Many small business ventures fail for lack of sufficient capital. You will need enough working capital for at least six months. (If your business is completely new, this period may last up to 12 months.) The amount needed can be determined by summing up your office expenses: rent, estimated telephone expense, projected advertising costs, office salaries, equipment rental, stationery, printing, postage, and miscellaneous items.

In addition, you should allow for your personal finances, in terms of living expenses and a reserve for unforeseen emergencies, such as illness or accident. You should discuss the figures you have projected (in actual dollar amounts required) with your banker, an accountant, or the field office of the Small Business Administration nearest you. If you are buying a franchise, the franchisor will be able to give you additional information based on his experience.

3

Getting Started—
Three Alternatives

ONCE YOU HAVE DECIDED to enter the employment agency business, you must decide how you want to start. You have three alternatives in starting your own business:

1. Start "from scratch," independently;
2. Buy an established business or a part interest in an established business;
3. Buy a franchise.

Starting Independently

"Starting from scratch" is still the most common way of going into the field. This method calls on you to use your best judgment, resources, and skill.

Advantages. There are four advantages when you start independently. First, initial costs may be lower since you would pay no franchise fee or sales price. This leaves more of your own money available for purchasing your equipment and for working capital. Second, you also reap the full profit as you operate, since you would pay no franchise royalties and other ob-

ligatory fees. Third, you have more latitude in your choices of location, decor, equipment, business methods and the like. Fourth, you do not "inherit" the ill will, if any, that the previous owner may have incurred. On the other hand, you do not gain the good will that he may have developed.

Limitations.—Probably the most important disadvantage of starting a new business is that it takes longer to become established and build a clientele. There are a number of reasons for this. In finding your first clients, you will learn that both job applicants and employers tend to patronize established firms or those with well-known names and reputations. Moreover, since there is no previous owner to provide you with a list of regular clients, you will have to attract a brand new clientele.

Therefore, you will have to spend more on advertising and promotion—not to mention the added cost of training, if you start out with one or more employees. Sometimes, it will take 6 months to a year before a new business begins to show profit, whereas you ordinarily should expect to operate in the black much sooner when you buy a going business.

Buying an Established Agency

Perhaps the most important advantage in buying an established agency—or a part interest in one—is that you overcome the limitations connected with starting from scratch. An established agency has an active list of employer clients, job listings, and applicants. Moreover, you acquire the reputation of the business which you have presumed to be good. However, before you invest your money, you should check to find out whether your presumptions are valid.

Caution: Here are some questions you should ask before you buy an existing employment-agency business or an interest in one.

1. Is the business going downhill?

Check why it is being sold. If the business is declining, is this for some reason that you can correct—with better manage-

ment and added capital, for instance? In such a case, the business may be a good buy. On the other hand, you may not be able to correct a bad business reputation or a poor location. There, you will be wise not to buy the business.

2. Is the business serving the type of clientele you want to serve?

You may prefer a white-collar agency, while the bulk of its placements have been factory-worker oriented.

3. How about its past performance?

Make the seller show his records of placements, costs, and profits for the current and previous years. A comparison of these figures should give you some idea of whether the asking price is reasonable. Your banker and accountant will help you evaluate these data.

4. What assets change hands by your purchase?

Make sure that the business has no debts that you will have to assume. If you are taking over outstanding accounts receivable, you should be sure they are collectable.

5. Will the seller provide you with training or indoctrination?

This is especially important if you are buying into an area in which you are not thoroughly familiar and if you intend to retain employees of the seller.

Partnerships. If you are buying a portion of an employment agency, you have the advantage of a smooth continuation of the business in the availability of an experienced colleague to train and consult with you. What success you add to the business, he will share. On the other hand, you will share in any of his weaknesses. Therefore, it is important for you to inventory his personality (as well as his business record) before you become a partner.

Incompatibility with your partner is a serious drawback, Moreover, a weak partner who needs you and your assets to save a poor business is a serious business handicap.

Purchasing a minority interest adds to the dangers of a partnership. You are best advised to have an equal share with

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other principals in a business. Otherwise, decisions harmful to your interests can be made.

Franchising

Franchising, the third alternative for starting an employment agency business, has existed in this field only since the 1950's. Since then over 60 different firms offering employment agency franchises have been started. Employment agency franchises range in size from a few local offices to national chains with several hundred offices.

In considering the franchise route to opening an employment agency, you should look first for those franchisors who offer the kind of agency you wish to operate. It is most important that the franchise group you join is compatible with your own interests and ambitions. Agency franchises are available at every level from babysitters and domestics to executives and professionals.

The background of the company offering the franchise should be carefully scrutinized. Is it financially responsible? How much training will you receive? Does it have a continuing consultation service after initial training? Some of the answers to these questions may be obtained by visiting as many of its franchisees as you can to find out from them whether they are satisfied with the services they are getting. It will also show you the calibre of the people the franchisor has been able to attract.

Before making a decision as to which franchise you like best, have your banker check the company's financial status and have your attorney examine the contract. Be sure that the franchise fee and royalties are understood by you and that they are competitive with those of other franchisors. The least expensive is not necessarily the best. Be sure what you will get for your money.

Advantages. A good franchisor will help you every step of the way. In addition to giving you the value of his name as an established business, he will help you in the following important ways:

1. Select and set up a suitable office.
2. Establish a realistic budget of expenses.
3. Train you and your initial staff.
4. Offer counsel on advertising and sales promotion.
5. Provide you with systems and procedures.
6. Provide continuing advice and consultation *after* the training period.

Some franchised agencies often are provided with a flow of job orders and applicants. Other franchisors offer computerized services to expedite and coordinate interagency referrals—enabling each of their franchisees to benefit from the job listings and applicant files in the entire chain. In brief, franchisors will help you get underway faster than you could on your own.

Limitations. If you choose the franchise alternative, you will probably need a larger initial capital investment. Franchise fees generally range from $5,000 to $20,000 for the purchase of the franchise. The amount charged for any one franchise depends on the size and reputation of the franchisor. You will pay more to join a better known franchise group than an unknown one. Also, because larger cities have a higher potential, franchise fees are usually higher.

Most franchisors will arrange for financing part of the franchise fee. Usually, you will have to pay one-third to one-half of the fee when you open. The balance may be paid over a period of time (usually via interest-bearing notes). In addition to the fee, franchisees pay royalties on actual fee collections ranging from 5 to 10 percent of monthly receipts. This part of the payment varies considerably and in some franchises is allocated in part to a national advertising budget for the entire chain. Before agreeing to purchase a franchise, be sure you know just what your royalty obligations are and what services accompany the franchise agreement.

Another feature of franchising which may be disadvantageous is that some franchisors maintain strict control over their franchisees. You must do a minimum business or lose your franchise. The minimum business provision is justified if it is set at a reasonable figure and if it is waived for at least the startup period, when you are getting your office underway.

4

Starting Up

YOUR FIRST TASK, once you have decided to enter the employment agency business, is to estimate your "startup" costs. Since costs vary by the location of a business, you will also have to select where you are going to start up in order to estimate them.

For many years, cost figures have been collected by trade associations, government agencies, financial institutions and others. These data can serve you as guidelines but must be used with caution, since they tend to represent limited geographic areas or types of clientele (for example, clerical, sales, industrial workers, and so on). Moreover, available data are usually averages. As such, they are often misleading because of variations of advertising, rent, commissions, and other costs.

Finding Your Own Costs

As much as possible, you will do your own investigating to determine your starting costs. Most of them will be fairly easy to obtain. Local newspapers will supply you with their rate cards to get an idea of what your advertising cost will be. It

should be noted that classified advertising rates in the United States range from 40 cents to more than $2.00 per agate line.

You will also find a wide range in office-rental costs—from $2.50 to $16.00 per square foot per year; a real-estate broker can furnish you with prevailing office rents in the community you have selected. You can obtain estimated, and sometimes actual, costs of licenses, insurance, equipment, and supplies.

Comparative Startup Costs for Four Employment Agencies

Range representing four widely-scattered geographic areas

Type of cost	Agency			
	#1	#2	#3	#4
One-Time Only				
License and bond	$120	$170	$110	..
Security deposit	..	200	400	$500
Phone installation	350	120	65	..
Accounting, legal, and incorporation	600	..	400	500
Recurrent (6 months)				
Rent	2,400	660	1,800	[1] 2,520
Office furniture and equipment (leased)	600	600	450	1,010
Insurance	180	600	360	..
Stationery, printing, and miscellaneous	1,500	2,100	1,500	1,320
Advertising	6,000	2,100	2,400	6,000
TOTAL	$11,750	$6,550	$7,485	$11,850

[1] Includes telephone installation.

The accompanying table (page 14) will illustrate the wide range in startup costs—from slightly over $6,500 to almost $12,000. Included are one-time expenses and recurrent costs for 6 months, which is the length of time you should allow before you can expect your business to become self-supporting. These data are far from complete and are to be used only as guidelines; they were computed from information released by four major chain operators. They demonstrate the differences that occur from area to area. It should be noted that franchise startup costs excluding the franchise fee are usually less than those for starting from scratch. However, the franchise fee will in many cases compensate for the lower costs.

Selecting a Location

Your selection of a location can spell success or failure for the agency before it opens. First, you must choose the broad geographic area. Should the agency be in the town where you live or in the nearest larger town? Should it be in a city's center or in one of the suburbs?

You should answer these questions, not in terms of your own convenience, but in terms of what kind of market this area is for your services. You can get the "feel" of the local labor market by (1) talking to your local chamber of commerce, bankers, real-estate brokers, large employers, and others; and (2) reading the "help wanted" columns and the employment agency advertisements in local papers. Talking with business people can also help.

If the labor market seems right, you should study the employment agencies located in that area. In a promising area, you may find a surprising number of successful employment agencies. A new agency's best chance of success is in those areas where other employment agencies are well established and flourishing. They are accepted by the community. Generally, where there is little or no competition, you are not likely to find enough business. On the other hand, good competition generally tends to increase the size of the local market.

If your decision on the area is favorable, you should now select an office location—preferably one where employment agen-

cies tend to cluster. In such a specialized "market place," an applicant looking for a job can visit a number of agencies with the least loss of time. If you locate in an area with no rival agencies, you would see only jobseekers attracted by your own advertising or referred to your agency.

Also, keep in mind your accessibility to public transportation and to parking facilities. Unless one or both are readily available, you reduce your applicant flow.

Before you decide on your office space, have your attorney check the lease to be sure it protects you properly and that the location meets requirements of the employment agency laws of your State.

You cannot receive a license for an agency until you have selected an office. In many States, the location will be inspected by the authorities before the license is issued. You must also check with city or county offices to see what other licenses, registrations, or inspections are required at that level.

Planning an Office Layout

How you should lay out your office depends on its exact size and shape. You cannot make these plans in detail without first knowing these facts.

Appearance of your office should compare favorably with the appearance of your competitors. There should be sufficient work space for counseling, clerical support, and applicants who are waiting for interviews. The degree of privacy needed for counselor-applicant interviews can be determined by local custom. Some agencies have private offices for each counselor; others have two or more counselors in a room; still others have several counselors operating in a large open space.

The decor of your office should be attractive but not elaborate. It is not necessary to spend a large part of your capital on lavish furnishings. Your office should be neat, comfortable, businesslike, and acceptable to the clientele you hope to draw.

In determining your office's size, be sure to allow for future expansion. The most common size is 4 to 5 desks (for 4 to 5 counselors). In addition, you will need one (or possibly two) clerical support personnel. For an office of this size, you will

need approximately 700 to 1,000 square feet of space. The room's shape and the location of windows, doors, and columns —and, of course, the rental—all have to be considered.

Telephone Service

Once the space has been leased, an immediate next step is to arrange for telephone service. In many communities, telephone installation takes some time to arrange. It is essential that your office have its telephone installed by the time it opens for business, so this must be arranged as soon as your plans are made.

Your telephone company representative can suggest the most effective type of service and equipment for your office layout. Since each counselor will be making large numbers of calls, usually each needs one line for outgoing calls and another for incoming. Your telephone company can advise you.

Furniture and Equipment

Furniture should be functional and attractive. It need not be expensive. In addition, you will need certain equipment. The following is a suggested list of items for your office.

For clerical personnel (general equipment):

- Typewriter (s)
- Photocopy machine (optional)
- Supply cabinet (s) or shelving
- File Cabinet (s)
- Postage meter (optional)

For the reception area:

- Chairs, settee (s), or bench (es) to accommodate 6 to 10 job applicants at a minimum
- Desk (secretarial)
- Secretary's chair
- Clipboards or table

For each counselor's space:

- Desk
- Swivel chair
- Side chair
- Wastebasket

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Forms and Systems

YOU HAVE NOW OBTAINED your license, found a location, and moved in with your office furniture. So you feel ready to start operating your own agency.

Before you can interview your first applicant or speak to your first employer-client, however, you need to establish a system for processing applications and job orders. Then you can locate the records when the need arises. These records fall simply into two classes: one dealing with the jobseeker, and the other with jobs to be filled.

A system that has good records makes it easy for you to find and process information, and match job applicant to opening. Major records include: application cards (made out on an applicant's first visit or sent in by mail); contracts (the applicant's promise to pay); and the job orders (a hiring employer's requirements broken down by job category). These records require a filing system so that they may be located readily when you need them.

To bring together jobseeker and job—the real purpose of the agency—you need to have in one place a record of every possible job a candidate may fit.

Application Cards

The first tool of every employment agency is the application form. This form has three main functions.

1. It provides you with basic information about an applicant's background, including:

a. Personal information (name, address, phone number, marital status, age, number of children, height, weight, citizenship, and the like);

b. Education (name and dates of schools attended, majors, diplomas or degrees, special courses taken, and the like) ;

c. Skills (shorthand and typing speeds, machines operated, and the like) ;

d. Work history (names and addresses of previous employers, dates of employment, duties, names of supervisors, reasons for leaving, and salary earned on each job) ;

e. Job objectives (type of job sought, salary requirement, and areas in which the applicant wishes to work) .

2. It serves as your guide in interviewing the applicant.

3. It becomes your file card for future contacts and dealings with the applicant.

In designing this form, be sure you comply with Federal antidiscrimination laws and the Fair Employment Practice laws of your own State. For example, Massachusetts and New Jersey forbid you to ask the applicant's age. New York State, though, permits the question if you add, "The New York Law Against Discrimination prohibits discrimination because of age or sex."

You will find that State regulations differ on other questions, too. *Check with your own local authorities before printing these forms.*

Application forms should be printed on card stock, for easy filing and handling. You may use 5 by 8 or 8½ by 11 inch cards. Though most of the applicant's information will appear on the front, you may choose to have this application form printed on both sides. (See figures 1-A, 1-B, and 2.) The back

(Please turn to page 23)

FIGURE *1-A.—Application card (front side)*

A	B	C	D	E	F	G	H	I	J	1	2	3	4	5	6	7	8	9

1. PRINT LAST NAME — FIRST — MIDDLE — 5. SOCIAL SEC. NO.

2. NUMBER AND STREET ADDRESS, R. D. OR P. O. BOX NO. — 4. TELEPHONE NO.

3. CITY — POSTAL ZONE — STATE

6. DATE OF BIRTH (MO.) (DAY) (YEAR) — 7. ☐ MARRIED ☐ DIVORCED ☐ SINGLE ☐ SEPARATED ☐ WIDOWED — 8. HEIGHT (FT.) (IN.) — 9. WEIGHT (POUNDS)

11. IF VETERAN, ENTER YOUR LAST MILITARY SERVICE

ENTRY ON ACTIVE SERVICE (MO.) (DAY) (YEAR)	RELEASE FROM ACTIVE SERVICE (MO.) (DAY) (YEAR)	SERIAL NO.

12. IF NEEDED FOR WORK, DO YOU HAVE — TOOLS ☐ YES ☐ NO — AUTOMOBILE ☐ YES ☐ NO — LICENSE ☐ YES ☐ NO — TRUCK ☐ YES ☐ NO

13. IF UNION MEMBER, GIVE NUMBER, NAME AND AFFILIATION OF LOCAL

14. CIRCLE HIGHEST YEAR OF EDUCATION COMPLETED AND GIVE DEGREES RECEIVED

GRADE SCHOOL	HIGH SCHOOL	COLLEGE	DEGREES
1 2 3 4 5 6 7 8	1 2 3 4	1 2 3 4 5 6 7	

NAME SCHOOL AND LIST COURSES OR TRAINING (INCLUDING MILITARY) WHICH PREPARED YOU FOR WORK. GIVE LENGTH AND DATES ENDED.

TURN TO INSIDE OF CARD

DO NOT WRITE BELOW THIS LINE

TITLES	CODES

SKILLS, KNOWLEDGE, ABILITIES	DATES

TEST RESULTS

WILLING TO LEAVE CITY ☐ YES ☐ NO
WILLING TO LIVE AT WORK ☐ YES ☐ NO

USES-511 (1-54)

APPLICATION CARD

DEPARTMENT OF LABOR
UNITED STATES EMPLOYMENT SERVICE

FIGURE *1-B.—Application card (reverse side)*

IMPORTANT CIVILIAN AND MILITARY EXPERIENCE

DESCRIBE YOUR LONGEST AND MOST IMPORTANT JOBS. BEGIN WITH YOUR MOST RECENT JOB

15. NAME EMPLOYER OR BRANCH OF MILITARY SERVICE			19. NAME JOB AND DESCRIBE EXACTLY WHAT YOU DID AND HOW YOU DID IT
16. ADDRESS			
17. EMPLOYER'S BUSINESS			
18. LENGTH OF JOB	DATE ENDED	PAY	
20. NAME EMPLOYER OR BRANCH OF MILITARY SERVICE			24. NAME JOB AND DESCRIBE EXACTLY WHAT YOU DID AND HOW YOU DID IT
21. ADDRESS			
22. EMPLOYER'S BUSINESS			
23. LENGTH OF JOB	DATE ENDED	PAY	
25. NAME EMPLOYER OR BRANCH OF MILITARY SERVICE			29. NAME JOB AND DESCRIBE EXACTLY WHAT YOU DID AND HOW YOU DID IT
26. ADDRESS			
27. EMPLOYER'S BUSINESS			
28. LENGTH OF JOB	DATE ENDED	PAY	
30. NAME EMPLOYER OR BRANCH OF MILITARY SERVICE			34. NAME JOB AND DESCRIBE EXACTLY WHAT YOU DID AND HOW YOU DID IT
31. ADDRESS			
32. EMPLOYER'S BUSINESS			
33. LENGTH OF JOB	DATE ENDED	PAY	
35. NAME EMPLOYER OR BRANCH OF MILITARY SERVICE			39. NAME JOB AND DESCRIBE EXACTLY WHAT YOU DID AND HOW YOU DID IT
36. ADDRESS			
37. EMPLOYER'S BUSINESS			
38. LENGTH OF JOB	DATE ENDED	PAY	

FIGURE 2.—*Application form for clerical jobs*

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20

OFFICE COPY

Last Name | First Name | Initial | Position Desired? | Lowest Salary Considered?

Your Address | Apt. # | Town or Boro | Zone # | With Whom Do You Live?

Family Address | Home Phone | Business or Nearest Phone | Draft Status

How Long Are You Looking For A Job? | Height / Weight | Lbs. | Married ☐ Yes ☐ No Other | Date of Birth Mon. / Day / Yr. | Age

How Did You Hear of This Agency? | Accept Temp. Position? ☐ Yes ☐ No

EDUCATION	DATE OF GRAD.	COURSE TAKEN
High School		
College		
Other Schooling	Do You Attend School Now?_____	What Are Your School Hrs.?_____

PLEASE "X" FOR KNOWLEDGE	
( ) Typ. (Manual)___WPM	( ) Packing
( ) Typ. (Elect)___WPM	( ) Warehouse
( ) Adding Machine	( ) Sales
( ) Accounting	( ) Showroom
( ) Bookkeeping	( ) Purchasing
( ) Billing	( ) Mailroom
( ) Payroll	( ) Figure Work
( ) NCR or others	( ) Filing
( ) Comptometer	( ) Swbd.
( ) Dictaphone	( ) Record Keeping
( ) Teletype	( ) Addressograph
( ) Shipping	( ) Multilith
( ) Stock	( ) Keypunch

PLEASE "X" IN BOX	Yes	No
Have You A Car?		
Have You A Drivers Lic.?		
Ever Been Bonded?		
Accept Part Time Work?		
Good Attendance Record?		
Are You Punctual?		
References Favorable?		
Registered Unemploy. Ins.?		
Ever Had Nervous Breakdown?		
Been In Mental Inst.?		
Are You In Debt?		
Any Physical Defects?		
Ever Convicted Of Crime?		
Are You A U. S. Citizen?		

DATES (Last Position First) — BUSINESS EXPERIENCE — (Last Position First)

Started	Left	Firm Name And Address	Type Of Bus.	Total Company Employees	Position	Reason For Leaving	Salary

is usually kept for the agency contract and space for notes by the interviewer. This may include counselor's comments and a list of companies where the applicant has been referred.

Agency Contracts

This legal document is usually printed on the application form (reverse side). It is required when the agency fee will be paid by the job applicant. It includes all the terms governing the fee such as—

1. The amount;
2. The payment date or dates;
3. The conditions governing the applicant's failure to report to a job to which he has been referred;
4. The obligations of the applicant when he leaves a job after he has accepted it.

Be sure that your contract is approved by State and local authorities. Most States provide standing contracts which you can copy rather than improvising your own. In some States, every applicant must sign a contract to authorize you to represent him. Check your own State law.

The agency contract is your protection that you will be paid by the applicant when he is hired for a job to which you referred him. Be sure the applicant signs one before you make a job referral. For fee-paid jobs—those for which the employer has promised to pay the fee—a letter or job-order form of the employer is your protection. In most instances, you can accept an oral (telephone) order from an employer since you can normally expect "repeat" business from him. See figures 3-A and 3-B at the end of this chapter for examples of agency contracts.

Job Orders

The counterpart to the job application is a "job order" from an employer with a job opening. This form enables you to "place" the jobseeker.

When a company gives you a job requirement, it should be entered on a special job-order form. This should provide the

key information needed to select someone for the job. On the job order you should include:

1. Name, address, and phone number of the company;
2. Person to be contacted and his title;
3. Title of the job;
4. Description of the duties;
5. Requirements for filling the job, including education, experience, and special requirements;
6. Salary;
7. Hours and working conditions.

Like the application form, the job-order form must not contain anything that would be a violation of Federal anti-discrimination laws or State Fair Employment Practices laws. (See chapter 13.)

An additional file containing a card for each company with which you do business should also be maintained. Each card should list each job order that the employer has made along with pertinent information such as date received and date that the job was filled. This file contains permanent records on all your employer clients and you will refer to it frequently.

Records Handling and Retention

You cannot manage your employment agency without the three basic records—application forms, contracts, and job orders. Yet, these forms are valueless without a system by which you can file them and readily retrieve them when they are needed. Your purpose in setting up this system is to enable you and your counselors to match jobseekers and job openings as rapidly as possible.

Applications

You should set up the application files by major job classification. Often, you will need further breakdowns. For instance, under the major category "Accountants," you would place such subclasses as public accountant; general accountant; cost accountant; junior accountant; tax accountant; accounting

manager; controller; financial analyst; and auditor. Under the major category of "Secretary," you could list executive secretary; legal secretary; and medical/dental secretary.

Special job categories develop in some areas and in some agencies. Obviously, separate file sections will be set up for each (for instance, under "Accountants" a category like "Construction Accountant" if you fill jobs for the construction industry).

Within these job categories, cards should be filed by salary required. In a file for each type of secretaries, for example, the first card should be the one for the applicant whose salary requirement is the lowest. Following should be the cards with the next higher requirement. Final cards would be those of the persons seeking the highest salary. Under this system, when a company calls your office for a secretary at $100 per week, you can look in your file and find all the applications in the $100-per-week group together in one place.

As applicants register, you establish the proper files. You need not set up the first occupation file—like "Accountant," for instance—until you have interviewed such an applicant. At first, you will keep all your accountants' applications in one file, until that file has too many cards to handle easily (usually 20 to 30). Then, you will begin to break these down into further categories and perhaps into subcategories.

Suppose, for instance, that you have a mixed group of accountants in your file. You receive a job order for an accountant-office manager. You advertise to fill that specific order and then accountant-office managers register. This is the time to set up a new file for accountant-office managers. Add to it the applications of any accountant-office managers whose names have already been in your accountant file.

If an applicant qualifies in more than one category (for instance, Accountant, General and Accountant-Office Manager), you should file a cross-index card showing only name and address and location of the original card file for the additional categories. In this way, the applicant will not be overlooked when a job develops in any category in which he qualifies.

In addition to the regular application form, the applicant (or, if you prefer, you or your counselor) will complete a 3 by

5 index card which will be filed alphabetically. On this card will be the name, address, and category in which the application is filed. This alphabetical index will enable the counselor to locate an applicant's card by name only, if the need arises.

Some applicants provide résumés to supplement their applications. The résumé usually gives much more information than an application form alone, and is very useful in evaluating the applicant. Résumés may be attached to the original application card or may be kept in a separate file. If the agency works with many administrative, technical, and professional people, the résumé will be an important adjunct to the application and should be kept with the application.

You should keep the applications in active files until you know the applicants are no longer seeking jobs. To verify this, check applicants periodically to determine whether they are still interested. If an applicant says he is no longer available, or if you do not hear from him for six months (an $8,000-a-year-or-less applicant), or for one year (more than $8,000), remove his card and place it in an inactive file.

Job Orders

Your job orders should be filed according to job categories, special subcategories, and salary just like the application cards. Some agencies prefer to use card-stock job-order forms and file them in 5 by 8 files. Others prefer to use looseleaf books with one page for each job order. No matter what system you use, the important point is to be able to match up every possible job opening against a candidate's qualifications when you see him, so that he can be referred at one time to all possible openings.

When you fill a job, remove the job order from the file and place it in an inactive file. This file becomes a source for leads on future job openings.

FIGURE *3-A.—Agency contract with applicant*

YOU ARE REQUIRED TO SIGN A CONTRACT.

We offer our services to you on the following terms and conditions:

In signing it is understood that I assume no financial obligation unless I accept a position made available, directly or indirectly, any time with one (1) year from the time I am referred to a company by (*Agency name*) hereafter called The Agency.

I hereby request the service of The Agency to assist in securing a position. For any position obtained for and accepted by me, through the efforts of The Agency, I hereby promise to pay for their service as follows:

Positions up to $ 2,999.99— 6% of first years gross earning as agreed upon
$ 3,000.00 to $ 3.999.99— 7% of first years gross earnings as agreed upon
$ 4,000.00 to $ 4,999.99— 8% of first years gross earnings as agreed upon
$ 5,000.00 to $ 6,999.99— 9% of first years gross earnings as agreed upon
$ 7,000.00 to $ 9,999.99—10% of first years gross earnings as agreed upon
$10,000.00 to $10,999.99—11% of first years gross earnings as agreed upon
$11,000.00 to $11,999.99—12% of first years gross earnings as agreed upon
$12,000.00 to $12,999.99—13% of first years gross earnings as agreed upon
$13,000.00 to $13,999.99—14% of first years gross earnings as agreed upon
$14,000.00 to $14,999.99—15% of first years gross earnings as agreed upon
$15,000.00 to $15,999.99—16% of first years gross earnings as agreed upon
$16,000.00 to $16,999.99—17% of first years gross earnings as agreed upon
$17,000.00 to $17,999.99—18% of first years gross earnings as agreed upon
$18,000.00 to $18,999.99—19% of first years gross earnings as agreed upon
$19,000.00 and over —20% of first years gross earnings as agreed upon

FEE PAID POSITIONS: If the employer accepts my obligation for The Agency fee and pays same, I am released from financial obligation under this agreement unless: (1) I fail to report to work as agreed upon, (2) I leave the position within 90 calendar days after reporting to work without fault of the employer, or (3) I am discharged for fault within 90 calendar days after reporting to work; whereupon, I agree to pay to The Agency the difference between 20% of the gross earnings paid me and the full fee per the above schedule.

For positions, predicated by management practice, on any combination of salary, bonus, draw, commissions, first year incremental compensation adjustment and the like, the employer, The Agency and I shall agree on a reasonable estimate of such total first year compensation for purpose of figuring The Agency fee. This estimate is not subject to reduction or increase after acceptance of the position.

TERMS: One-half of service charge due on acceptance of position and the balance within thirty days of going to work. If I accept a temporary, position which becomes permanent, balance of service charge becomes due in full. I agree to pay the full permanent fee per the foregoing schedule should I (1) fail to report to work as agreed, or (2) terminate employment secured through The Agency without fault of the employer, or, (3) I am discharged for fault. I agree to report immediately to The Agency the result of each interview with each employer to whom I may be referred.

All information I receive from The Agency is CONFIDENTIAL, is solely for my use and benefit and must not be divulged to any other person. If I inform another person of the availability of a position made known to me by The Agency and said person accepts the position within one (1) year after date of referral I am held responsible for payment of The Agency fee.

YOUR ACCEPTANCE: In signing, it is understood that I ASSUME NO FINANCIAL obligation unless I accept a position made available by, through, or as a result of information obtained as a result of contact with The Agency. If I accept a position referred to me by The Agency I will contact (in person) The Agency and execute a "Record of Acceptance and Payment" prior to reporting for work.

DEFINITIONS

ACCEPTANCE OF POSITION: Mutual agreement between new employer and applicant as to terms and conditions of employment, including starting date.

PERMANENT EMPLOYMENT: All placements shall be considered permanent.

PERMANENT EMPLOYMENT THAT PROVES TO BE TEMPORARY: That employment of a duration of less than 90 calendar days which terminates through no fault of the applicant or when the employment is voluntarily terminated by the applicant because of fault of the employer. The Agency fee shall be 20% of actual total gross earnings received, the difference, if any, between the amount of the fee paid by the applicant and 20% of the gross earnings received to be refunded by The Agency to the applicant upon notification.

I have read and hereby acknowledge receipt of a copy of this contract. (Yes or No) _____

Date Applicant's Signature Soc. Sec. No.

FIGURE 3-B.—*Agency contract with applicant*

YOU ARE REQUIRED BY LAW TO SIGN A CONTRACT.

We offer our services to you on the following terms and conditions:

In signing, it is understood that I assume no financial obligation unless I accept a position made available through the services of (*Your agency name*), hereafter called THE AGENCY. READ THE CONTRACT BEFORE SIGNING.

I hereby request the service of THE AGENCY to assist in securing a position. For any position obtained for and accepted by me, through the efforts of THE AGENCY, I hereby promise to pay for their services as follows:

Annualized starting salary	*Service charge*
$ 3,381 to $ 3,640	—$215
$ 3,641 to $ 3,900	—$235
$ 3,901 to $ 4,160	—$255
$ 4,161 to $ 4,420	—$275
$ 4,421 to $ 4,680	—$295
$ 4,681 to $ 4,940	—$320
$ 4,941 to $ 6,999.99	— 7% of first years gross earnings as agreed upon
$ 8,000 to $ 8,999.99	— 9% of first years gross earnings as agreed upon
$ 9,000 to $ 9,999,99	—10% of first years gross earnings as agreed upon
$10,000 to $10,999.99	—11% of first years gross earnings as agreed upon
$11,000 to $11,999.99	—12% of first years gross earnings as agreed upon
$12,000 to $12,999.99	—13% of first years gross earnings as agreed upon
$13,000 to $13,999.99	—14% of first years gross earnings as agreed upon
$14,000 to $14,999.99	—15% of first years gross earnings as agreed upon
$15,000 to $15,999.99	—16% of first years gross earnings as agreed upon
$16,000 to $16,999.99	—17% of first years gross earnings as agreed upon
$17,000 to $17,999.99	—18% of first years gross earnings as agreed upon
$18,000 to $18,999.99	—19% of first years gross earnings as agreed upon
$19,000 and above	—20% of first years gross earnings as agreed upon

On placements, predicated by management practice on any combination of salary, draw, bonus or commission, the Employer, Applicant and Agency shall agree on a reasonable estimate of such total compensation for purpose of figuring fee.

Terms: One-half of service charge due on acceptance of position and the balance within thirty days of going to work. If I accept a temporary position which becomes permanent, balance of service charge becomes due in full.

DEFINITIONS

ACCEPTANCE OF POSITION—"Accept a position" shall mean that the applicant has actually reported for work or has a definite agreement with an employer to begin working at a specific time, a definite agreement having been reached concerning the employee's salary and duties. I agree to report my acceptance within 24 hours to the office of THE AGENCY.

PERMANENT EMPLOYMENT—Employment which exceeds 10 weeks.

TEMPORARY EMPLOYMENT FEE—"Temporary fee" means the fee due for any position which is known, at the time of its acceptance, to be for a duration of ten weeks or less, or, if originally permanent, ceases within ten weeks following its acceptance through no fault of the employee.

Should I voluntarily leave a position secured for me through the efforts of THE AGENCY, I agree to pay the full fee. Should my current employer increase my salary retaining my services as a result of negotiations through (*Agency name*) I agree to pay one-half of the regular fee to THE AGENCY.

CONDITIONS ON FEE PAID POSITIONS—In the event that I accept employment where the employer has agreed to pay the fee, I understand that such payment is contingent on my reporting to work as agreed and my continuing such employment. In the event, however, that I do not report to work as agreed, or I am discharged for cause or leave on my own accord within ten weeks, then and in any such event, I am obligated to pay said fee in accordance with the above fee schedule.

CONFIDENTIAL—All information I receive from THE AGENCY is solely for my own use and benefit. It must not be divulged to any other person. If any prospective employer to whom I have been referred by THE AGENCY should refer me to some other firm, employer, or position, or regardless of whether the position finally accepted is the same position referred to in my interview with THE AGENCY, it shall be deemed that such employment will be due to efforts of THE AGENCY, and I agree to pay said placement fee described above.

YOUR ACCEPTANCE—In signing it is understood that I ASSUME NO FINANCIAL obligation unless I accept a position made available by, through, or as a result of information obtained as a result of contact with THE AGENCY. I have read and hereby accept the terms and conditions outlined above. I agree to immediately notify THE AGENCY the results of the interview with the

employer to which it directs me. If I accept a position referred to me by THE AGENCY I will contact (in person) THE AGENCY and execute a "Record of Acceptance and Payment" prior to reporting to work.

I hereby acknowledge that I have received a copy of this agreement indicating the fee I am to pay for your service. If I should receive employment at any time within twelve (12) months from date of referral from any person or firm to whom THE AGENCY has referred me, such employment shall be considered as due to its efforts and I agree to pay the full commission herein stipulated.

I consent to your checking my previous employer, school, and other references and giving such information to any prospective employers, all without any liability on the part of (*Agency name*).

Date Applicant's Signature Soc. Sec. No.

6

Obtaining Job Orders From Employers

MAKING A PLACEMENT involves matching a job applicant and a job opening. As a new agency owner, you will need to plan methods for finding the employer's job openings as well as employee applications, to complete such placements.

You may get job orders from employers from any one of several sources. For instance, once you are established, you will have developed sound relations with several employers in your area. Whenever they have need of personnel, they will let you know. However, as a new agency head, you will need to take the initiative yourself in attracting employers as clients.

Developing Leads

As an agency owner, you must always be alert to the needs of companies in your area, even those who are not regular clients. This is particularly true when, as the head of a new agency, you are developing all your employer contacts for the first time.

Newspaper business stories. If an article in your local newspaper notes that a company is planning an expansion, introducing a new product or service, or moving to larger quarters, this company may need new personnel. Phone the company; ask the personnel manager if you can be of service.

If a major move is pending which should create many jobs, it may be best to visit the company and establish a personal contact. (This step is especially warranted if you read that a local company has obtained a large new contract, or that a company in another city is establishing a local branch or is moving to your town.) Many employment agencies have developed considerable business by staffing a company after such moves. If necessary, visit the company before it moves.

Grapevine. Another type of lead may come to you via the grapevine. This lead may cover only one job, or many. Perhaps you will hear at the country club or the Kiwanis meeting that the comptroller of the XYZ Company is leaving. You should follow up such information to see if you can help replace him.

Advertising. Follow "help wanted" ads. They are a good day-to-day source of leads on current job openings. They serve a twofold purpose. First, if you have an applicant who fits this job, a call to the company that is advertising (if identified) may lead to a placement. Second, even if you do not place an applicant, you may have made a contact with a new employer-client. Such companies often are flooded with unqualified applicants after placing an ad in the "classified" pages. If your own applicant is well qualified for the opening, you've made a friend at the employer's—even if not a placement—because you have shown you understand the company's job needs.

(Blind ads should be answered with great caution—or not at all—because you do not know who placed them. The danger is that unintentionally you might refer an applicant to his own company, or to some branch or subsidiary of it.)

You can also use ads which identify the company with the job opening as a reference tool for future contact. Clip such ads and file them according to job categories; that is, in a loose-leaf book in sections by job class (for accountants, for engi-

neers, for salesmen, and the like). If, in the future, an applicant in a specialized category comes to your agency, you can refer to such a file and perhaps find a company that may have a suitable job for him. Even though this originally advertised job may have been filled, this company may have related jobs open which the new applicant may fit.

Your advertisement book can also be one of your most valuable sources for learning about a company and its needs. Ads often tell you in some detail about the company's job requirements and usually identify the person responsible for hiring.

Directories. Directories are sources of company names from which you can solicit business. Some are national some are local, and others cover special industries.

As most employment agencies concentrate in their local areas, a State or city directory can be used. Check with the reference department of your public library for appropriate city, county, or State corporate directories. Most of these books give general information such as company name, address, phone, type of business, number of employees, sales volume, principal products and names of key personnel. If you cross-index this information by industry, you can locate companies to which applicants with related experience can be referred. State directories are usually broken down into county and city sections, so you can determine just where in your State a company is located and concentrate in a specific section if desired.

National directories will supply you with information about companies in other States. They are also useful in locating corporate headquarters of local companies. Most of these books are also broken down geographically and by industry.

If your agency plans to specialize in any industry, you can obtain a directory covering companies in that field. Such a book is available in most fields (for instance, electronics, banking, insurance, textiles, advertising agencies, and the like).

Card-Index Files

For every company you contact on either a regular or an occasional basis you should make an index card. File these cards

by industry. They will enable you to identify and locate companies who may need job applicants with special skills. This file also is valuable when you wish to specialize by developing placements in a particular industry.

You can use these cards for telephone solicitations or as a mailing list. For example, you can telephone companies on a systematic basis (once a month or once a week). You can use color tabs to show when to make these calls.

Job Order Solicitation—Telephone

Telephone solicitations to obtain job orders from employers are most effective. With a phone call, you can sell your services, obtain immediate feedback, and counter objections, all within a few minutes.

Planning your phone approach is essential, however. You must know, before making a call, exactly what to say.

General call. With this type of call, you introduce yourself and ask for a job order. The call is simple and brief.

Example: "Mr. Jones, this is Joe Hill of Hill's Personnel Agency. We've just opened our new business here in Westville and are specializing in placing clerical and accounting personnel. We'd like to help you fill your needs for such people. Do you have any openings at this time"

In calling a company with which you have had previous contact, use this approach:

Example: "Mr. Jones, this is Joe Hill at Hill's Personnel Agency. How've you been? Good. Thought I'd check to see what we can do for you today."

Specific call. A more effective approach, even if you are introducing yourself, is to discuss a specific applicant with the company. Here the emphasis is on the applicant rather than on the agency.

Select a person who would probably be of real interest to that type of company. Study his résumé or application. Make

notes on those aspects of his experience and background you want to emphasize. Select a significant aspect of his background to use as the start of this call.

Example: "Mr. Jones, this is Joe Hill of Hill's Personnel Agency. Could your company use an electrical engineer with ten years' experience in designing servomechanisms?"

In response, the employer's representative will say either "Yes," or "No," or "Tell me more." If he asks for details, be prepared to describe the man's background. If he has no interest, ask if he has any positions with which you can help him.

This type of call is effective even if the employer has no interest in the application. It brings your agency to the company's attention and shows it the type of applicant you get. It also gives you the chance, in case the company has no direct interest in this applicant, to talk about other applicants. Of course, if the employer is interested, you can arrange an interview which may result in a placement.

Select the companies you will telephone from the files you have developed. If your applicant has an electronics background, pick companies to call from your file of electronics companies. As a supplemental file, you could use clipped advertisements of openings in that field.

For applicants who fit into any industry (for instance, a secretary, some accountants, or administrative personnel), companies may be chosen for this type of solicitation by location or at random. However, most firms are impressed by applicants who have worked in related types of companies. Using such firm names as leads is usually more successful in promoting an applicant.

Job Order Solicitation—Advertising

You should send every company in your area (that hires more than just a few people) promotional material from time to time. Mailings can take the form of (1) institutional literature describing your agency, (2) a brochure describing the backgrounds of available applicants (see figure 4 on page 38 and

39), or (3) in its simplest form, a résumé of the applicant only.

As *institutional promotion*, you might consider printing promotional brochures, telling about the agency. These promotions should include a history of the agency, the background of the principals and counselors, types of jobs covered, and special services offered. You will also find it effective to mail periodically to employer-clients (or those whose business you want) brief sketches of selected applicants' backgrounds.

Summaries of applicants' backgrounds serve a number of purposes. They put your name before the company receiving the summary. They give the company a sampling of the types of applicants you attract. They bring about direct placements. They show employers what applicants you have available and the jobs for which they qualify.

Send out such mailings on a regular basis (such as monthly or semimonthly). Send out special mailings on an industry basis, when appropriate. If, for example, you have several applicants with experience in the hardware industry, you can send a bulletin showing brief summaries of these people's backgrounds to all the hardware companies in your area. Such mailings help develop your business in this industry; they are valuable tools in obtaining job orders.

Another way to inform potential employers of applicants' backgrounds is to mail out an individual worker's résumé. Most applicants for administrative, professional, and technical jobs have résumés. Mailing copies of these résumés to appropriate companies not only exposes the applicant to potential employers, but is a good way to keep your agency name and the type of people you handle before company clients.

FIGURE *4.—Sample of brochure showing profile of available applicants*

FINANCE
&
ACCOUNTING

ASSISTANT CONTROLLER — AFK-100

Currently responsible for all accounting functions, overall planning, and financial review of the operations of five profit centers. Has diversified accounting and auditing experience, including 4 years in public accounting. BS, MBA, CPA. Current Salary $18,000.

CORPORATE CONTROLLER — JS-101

Responsible for all accounting and data processing functions for a multiplant operation (4) doing $50 million in the space and defense systems field. Past experience includes 2 years as controller in South America and 5 years in the U.S. with one of the top 500 firms. Strong on mfg. costs, costs systems, and budgets. BS in business administration, Assoc. degree in accounting in Wharton School, 3 year undergraduate in economics, Harvard. Current Salary $24,000.

FINANCIAL ANALYST — JLP-105

Currently senior analyst with a public utility, assisting the treasurer in development, implementation, and economic evaluation of short- and long-range corporate plans. This includes merger and acquisition studies and projects relating to new ventures. Previous experience as an analyst in chemical and consumer goods mfg. BS in accounting, MBA in financial economics in 1970. Current Salary $16,000.

CONTRACT LAWYER — RD-106

Currently contract administrator at corporate headquarters of a large conglomerate involved in the control and monitoring of contractual obligations. Previous experience in contract negotiations and administration. BA in economics, LLB in law, JD in corp. law. Current Salary $13,000.

FIGURE 4.—*Sample of brochure showing profile of available applicants—Continued*

INDUSTRIAL
RELATIONS

INDUSTRIAL RELATIONS DIRECTOR MA-935

Heavy background in all phases of industrial relations. As I.R. director of major company, personally negotiated contracts with unions. Represented company at hearings before NLRB and other agencies. Set up and administered personnel policies. BS and JD degrees. Current Salary $25,000.

PERSONNEL DIRECTOR CH-70

10 years with one company. Now personnel manager of one of its largest facilities. Full responsibility for labor relations, compensation, training and management development, employee relations, and executive, sales, and technical employment. Planned EDP program for personnel records and skills inventory. BS in I.R. (Cornell) plus master's degree in personnel administration and training. Current Salary $16,000.

TRAINING/MGT. DEVELOPMENT MANAGER SI-180

Broad background with Fortune-500 companies in manpower planning, technical manpower training, and management development. Organized and administered training programs for basic shop skills, sophisticated engineering staff, communications, supervisory skills, and management development. Personally prepared and taught a variety of programs. BS in psychology plus graduate study and considerable engineering education. Current Salary $16,000.

PERSONNEL MANAGER or ASSISTANT WS-240

Currently on personnel staff of prestigious national corporation. Responsible for manpower planning, technical recruiting, and placement. Has recruited on campus and career centers. BS, MBA. A personable, bright young man on the way up. Current Salary $12,000.

7

Getting Applicants To Fill Your Job Orders

FINDING JOB APPLICANTS is as important to a new agency owner as obtaining job orders. However, while you approach the employer directly, by phone and by mail, you must approach the many unknown jobseekers on the market indirectly. Typically, you do this by advertising in newspaper "classifieds" current specific job openings.

Because this advertising is so important to the agency owner, it becomes your agency's single biggest item of expense after counselor's commissions. As a result, you should give considerable time and attention to planning and writing advertisements.

For greatest effectiveness, in either "help wanted" ads or institutional advertising, you need to keep two basic factors in mind:

1. The media to be used;
2. The construction of the ad.

Media

A number of media can be used for one kind of advertising or another—including the "institutional" type that advertises

the agency's services instead of specific job openings. Which of these media is most effective depends entirely upon the type of position you are advertising.

Local newspapers. You will find the classified ads of local newspapers by far the best source for advertising job openings for blue-collar personnel, skilled craftsmen, clerical and secretarial employees, and most lower salaried administrative workers. If there is more than one local newspaper in your area, usually one of them is better than the other for running "help wanted" ads. Study your local newspaper to learn which this is.

Professional and trade publications. For specialized employment, you may turn to publications published for specific types of businesses, industries, and professions. Almost every industry, technical discipline, or profession has a professional or trade journal, read regularly by specialists in the field. Examples of these include *Chemical Engineering, Electronic News, Sales Management, Women's Wear Daily, Stores, Institutions, and American Banker.* The list of such publications is endless.

Advertising in these media may help locate specialists far more effectively than local papers. They circulate in a wide geographic area (often nationwide) and to the very readership where you are most likely to find the applicant.

The main problem with trade-paper advertising usually is the long delay between the time you place the ad and the time it is published. Since most of these publications are monthly, you normally submit your copy two to five weeks before issuance. This makes such media less satisfactory in filling jobs where you need immediate placement. Nevertheless, since specialized placements typically take time, you may not find this slowness a major problem.

Out-of-town newspapers. Sometimes you might find occasion to advertise in newspapers in cities other than the one in which you are located. One such situation involves a surplus of workers with skills needed by employers in your locality. For example, when one large company recently closed its plant in the Midwest, employers from all over the United States began to

advertise for the laid-off machinists and toolmakers. If you wish to attract employers with certain skills or professional training and experience, you might advertise in cities where companies using this type of personnel are situated.

Radio and TV spots. As an experiment, some agencies have used radio and TV advertising to attract jobseekers. This has never been a major source of applicants, since your broadcast message reaches a vast audience that is not seeking jobs or that is not qualified for the job being advertised.

However, local customs prevail, and agencies in some areas use local stations to advertise for all types of help. Success, for this reason, seems to vary with the area. You should investigate and sample before allotting any significant budget to this type of advertising.

Billboards and bulletins. Other less conventional types of advertising have succeeded for some agencies. For instance, one major agency in Boston has found billboard advertising, bulletin boards, and subway poster advertising very effective. Much more often, city agencies place bulletin boards advertising current openings in front of their office. On the other hand, billboards, either roadside or building-side, are used to advertise the agency's services but not job listings. As with radio and TV-spot advertising, you would of course weigh costs against potential results before experimenting.

Directory ads. If you prefer institutional ads that tell about the agency, you can place your ads in directories. These include local industrial directories, national trade directories, and professional directories.

The best form of directory for institutional advertising is the classified section of your local telephone book. You can use these pages in several ways to bring your message to the jobseeking public. The effectiveness of these ads varies with locality, size of ad, and content. Many telephone books limit their ads to very narrow geographic areas. In such instances you have to advertise in several phone books to get complete coverage of the area you want to serve.

Principles of Good Advertising

You should think out—plan—the contents of an ad, and the style of writing it, very carefully. While many agency heads do this, others simply condense the job specification from the employer into a few lines. Without considerable planning, your ads will be ineffective.

You should always follow the principles of good advertising, whether your ad is for a skilled craftsman, a secretary, an engineer, or a vice president. All your ads compete with other ads —often trying to attract the same person—and yours must stand out to be effective.

In writing your own advertising, use the advertising specialists' AIDA formula on points to be considered in writing a good advertisement. AIDA stands for the first letters of four words summing up the successive responses you should strive to make every advertisement arouse in the reader: attention, interest, desire, action.

Attention. Attracting attention to the ad is of primary importance. It must first be seen, to be read. And it must be read, to bring results.

Attention can be attracted by format, or by headline, or by a combination of the two. White space, by itself, is a good attention getter if skillfully used.

Type face too can attract readers. In classified ads, you can use only a few type sizes to make a line stand out. However, in using display advertising you can choose a variety of type faces, and use borders, logos, photographs, drawings, and other means of getting attention.

In either a classified or a display ad, the headline can be an attention getter. You can make out of the job title a special attraction that the job may offer, or spotlight any word that attracts readers. Some words and phrases with pulling power are shown on page 44.

Most classified ads are listed alphabetically by the first word. Therefore, if you do not make the job title your headline, you should place that title in small letters above the headline. This "extra" job-title line is known as a tag line. It assures the plac-

Words and Phrases With Pulling Power

Words or Phrases Describing Company

Major company
Blue chip
Multiplant
Defense
Nondefense
Consumer
Glamour product (e.g., cosmetic, advertising, motion picture)
Location (e.g., "Calif.," "New Eng,," "Suburban," etc.)
Growth company
Modern facilities or equipment
Local assets (e.g., school system, recreational facilities)

Words or Phrases Describing Job Advantages

"Assistant to executive"
New plant or facility
Ground floor opportunity
Rapid advancement
Grow with company
Understudy executive
Company car
Fringe benefits (bonuses, profit sharing, etc.)
Employee discounts
Work for top man
Learn
Challenge
"Production oriented," "Marketing oriented," etc.
Opportunity to make policy

Words or Phrases Calling for Action

Phone (list number)
Send your phone number
No fee

ing of the ad under the job category where the reader will look for it. Figure 5 shows some examples of the use of headline and tag lines.

FIGURE 5.—*Writing classified ads to attract attention: Use of tag line and headline*

Ad for bank trainee

(tag line) Trainees

(headline) LEARN
(text) the banking industry, etc.

Ad for secretary

(tag line) Secretary

(headline) GLAMOR
(text) Work for Vice Pres.
of major cosmetics co.

Ad for engineer

(tag line) E.E.

(headline) INVENT
(text) new products for
aerospace field, etc.

Employment agencies want to attract as many applicants as possible. Many person who do not fill the specific job requirements are potential candidates for future openings. Therefore, you should use as few restrictive phrases as possible.

> DO NOT SAY—"3-5 yr. acct'g experience." You may be able to place the applicant with less than 3 or more than 5 years with the employer; and if not, you may be able to sell jobseekers without the required experience to other companies.

DO NOT SAY—"Must type 60 wpm." This wording eliminates applicants. It would be better to say only, "Good typing skills," since you can place the girl with a 40- or 50-wpm skill somewhere else.

On the other hand, too broad a specification (like, for example "Receptionist—any experience") will bring in unplaceable persons who use up your valuable time. For higher levels and technical jobs, a more specific ad attracts more qualified applicants, as it arouses their interest.

If an agency fee is being paid by the employer or reimbursed after a short time, specify this fact in the ad. It will attract those applicants who are reluctant to pay agency fees.

Interest. Once the reader has been attracted to your ad, the ad must carry on by developing his interest. The job content itself may be the best interest factor; for example, "work on new product research" or "modern equipment and facilities" and the like.

Salary and fringe benefits are also interest factors. Others are special advantages offered, information about the company, the opportunity itself, and the geographic area.

Desire. Once appetite has been whetted and the interest awakened, the ad must create the reader's desire to answer it. Amplification of the interest factors plus the "extras" the job offers in terms of personal growth, job satisfaction, appeals to family needs (insurance, school facilities, recreation, and the like), and enhancement of personal values help create this desire. Copy concerning advancement appeals to some people; comments about physical facilities (air conditioning, office decor, and the like) appeal to others. Tuition refund, nearby graduate schools, and the like, appeal to engineers and other professionals.

Unless a variety of persons with related skills are needed (for instance, typists), your ad must specify enough about the details of the job to limit respondents to those meeting the specifications. On the other hand, you should list only key factors as requirements, lest you eliminate persons basically well qualified but lacking minor attributes which could be picked

up on the job. (For example, a line, "knowledge of payroll," might eliminate good office managers who could learn that aspect on the job.)

Write the ad to appeal to the reader. Advertising specialists call this the "YOU" approach. Readers are more interested in themselves than in anything else. The reader must identify with the ad to develop a real desire for the job. He has to say "This is for me," if the ad is to be successful.

Action. Not only must the ad be appealing, but it should induce action. The reader has been attracted to the ad, his interest has been aroused, his desires catered to. Now he must be told what to do to satisfy this desire. Make the action as easy for him as possible. Tell him to phone, write, or come to your office. If you tell him to telephone, give him a name and phone number, and the time when he should call. If more detailed preliminary screening is required, request a letter or résumé by mail.

Discrimination in advertising. Federal laws and some State laws prohibit certain discriminatory practices in employment agency advertising. Be sure that all agency personnel who work on advertising know and comply with these laws. (See chapter 13 for further discussion of the laws.)

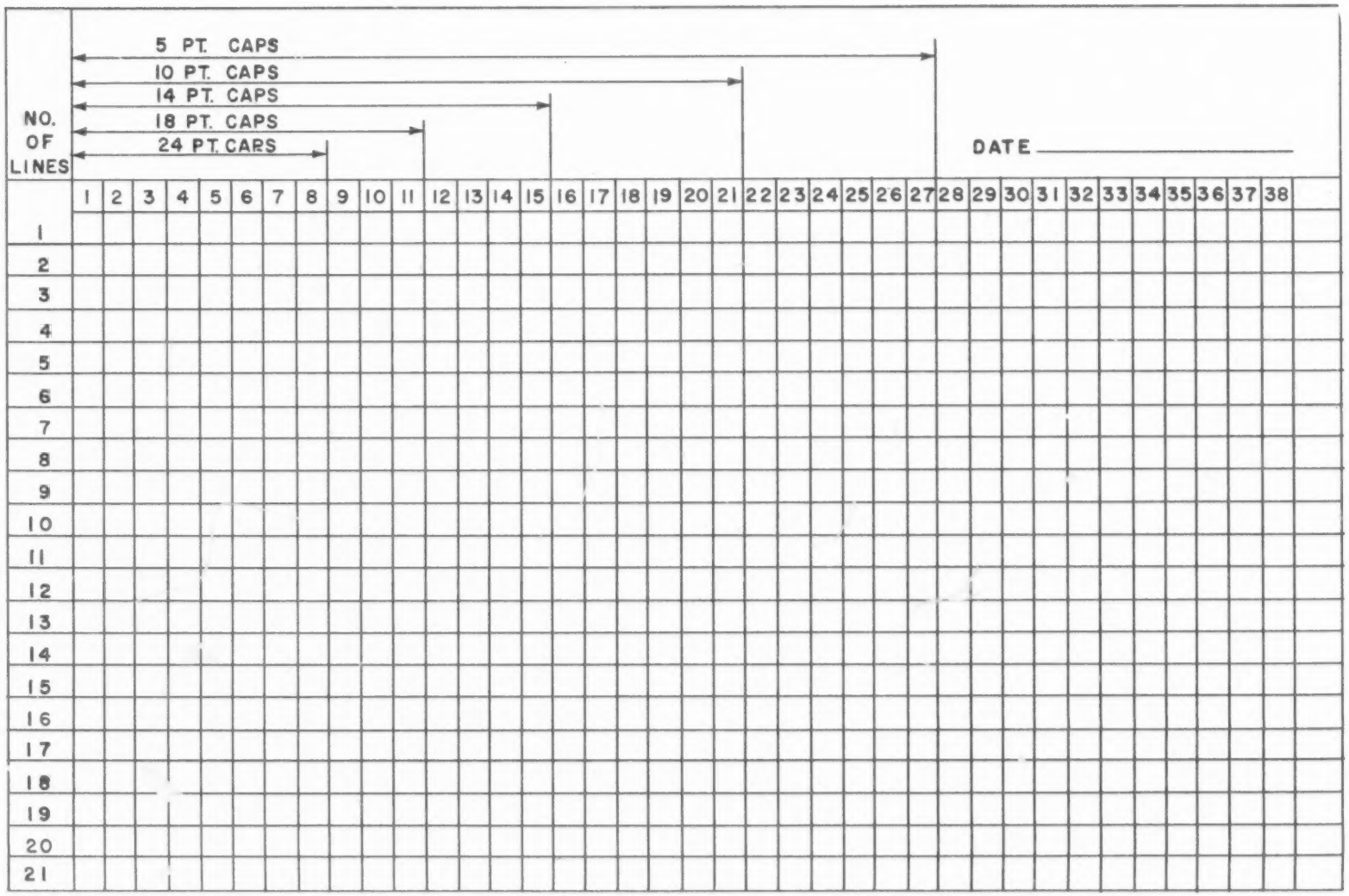
Advertising Mechanics

To attract readers' attention to classified ads, you should be familiar with the mechanics of classified advertising. This knowledge can help you plan the use of space and type size and at the same time judge the cost of the ad.

Each newspaper or magazine has a "mechanics sheet" which it will provide to its advertisers. This tells you the number of characters on a column line for each size of type, the various sizes of type available, and other pertinent information. Be sure to obtain this sheet from your local paper.

Planning your ad. In planning your ad, use graph paper showing column line limitations to "fit" lines to a newspaper

FIGURE 6.—*Form for use in planning classified ads*



column. For example, if a column line contains 38 characters in agate (5½-point) type, the paper on which you write out the ad is divided into 38 boxes. (See figure 6.) In writing the ad, write one letter, number, or blank space in each box. Larger type sizes are indicated by using more than one line or box. The graph paper enables you to plan just how the ad will appear. You do not have to depend on guesswork.

You usually place "help wanted" ads in the newspaper by telephone. However, occasionally, when time allows, you can send them in by mail or messenger. In phoning ads, you must be sure that the paper understands the format planned.

Abbreviations may be used in classified ads by some newspapers and are prohibited by others. In choosing abbreviations, use easy-to-understand ones. Some ads become meaningless because of abbreviations the readers cannot decipher. On the other hand, an abbreviation that only persons in the applicant's trade understand may be a good restrictive device to prescreen applicants. (If a jobseeker interested in a personnel manager's job does not know that "W & S" stands for Wage and Salary, he probably has little knowledge of the field.)

Advertising agencies. In most of the larger cities, you will find advertising agencies that specialize in classified advertising. Seek their assistance, since the newspapers pay the agency's fee. They can often be helpful in writing the copy, as well as in making last-minute insertions or changes.

Contracts. Annual contracts may reduce costs of classified advertising if your agency advertises regularly in the same newspaper. Check the policies of newspapers you plan to use most frequently. With annual contracts, rates are reduced if you guarantee to place a certain amount of linage. You should investigate papers' various contracts to determine which is best for your company.

Display ads. Display advertising is used for specialized hard-to-fill positions, such as engineers or managers. This type of advertisement costs considerably more than classified in most papers. Therefore, you will probably use this medium only to

reach the prospects who do not ordinarily read the classified-ad sections.

For such an ad, select the section of the newspaper most likely to attract the proper job candidate. For instance, business pages are frequently used for advertising executives and for sales and marketing positions; the sports sections for ads for engineers.

In the display sections of the paper, you are not limited to the use of standard type faces as you are in the classified sections. You should get help in designing special layouts and selecting type faces from the advertising department of the newspaper or from your ad agency. Writing display ads is a skilled job and should not be handled by amateurs. You spend enough money for such display ads to warrant the extra care they will receive.

FIGURE 7.—*Record of newspaper advertisements*

RECORD OF NEWSPAPER ADVERTISEMENT

Date inserted _____ Number of days _____

Newspaper _____

(Paste ad here.)

Total number of lines _____ Cost per day $_____

Number of responses _____ Total cost $_____

Number of interviews_____

Measuring Advertising Effectiveness

You will find careful records of the results of each ad helpful in telling you which ads are effective and which are not. The record also enables you to refer back to such ads when similar

positions have to be advertised again. In addition, the record serves as a control sheet for checking invoices.

One way of keeping these records is to use a standard desk diary. Paste the ads run each day on the proper page. Next to each one, indicate the cost of the ad and the number of responses. Some firms have special forms for this purpose (See figure 7.)

8

Interviewing Applicants

WHEN YOUR AGENCY HAS attracted the jobseeker, you face the important task of screening the applicant. The most widely used screening device is the interview. Its purpose is to match the applicant's qualifications to the employer's needs as expressed in a job order. Its effectiveness depends both upon how it is used and upon how skilled you are as an interviewer.

For an interview to become a true screening device, you must keep in mind four major purposes: to get information; to give information; to sell the job to the applicant; and to make a friend. (See Interview Guide, figure 8.)

Make a Friend

Every applicant interviewed for a job leaves your agency with a feeling about it: positive, negative, or neutral, depending upon his treatment. Your firm's reputation may be improved or harmed by your attitude during an interview. Often, an applicant is in a position to refer other jobseekers to your agency. And in some instances, the applicant you place later on becomes an employer who can use your services.

Your attitude as an interviewer therefore is very important.

If you treat all applicants, no matter what level of job they are seeking, with courtesy and attention, you will be taking the first step in good interviewing and also in establishing a good public image of your company.

FIGURE 8.—*Interview Guide*

Introduction

1. Did the counselor use the application and the résumé in planning the interview?
2. Did he establish rapport?
3. Did he move smoothly into the body of the interview?

Getting Information

1. Did he ask the right questions?
2. Did he follow answers through?
3. Did he look behind the "obvious"?
4. Did he put words into the interviewee's mouth?
5. Did he let the interviewee lead the interview?
6. Did he encourage the interviewee to speak freely?
7. Was the interview too long, too short?
8. Did the counselor listen?
9. Did he get facts, dates, salary?

Giving Information

1. Did he describe the job adequately?
   a. Did he give some background of the company?
   b. Did he give some description of the job?
2. Did he undersell the job, oversell the job?
3. Did he encourage the applicant to ask questions about the job?

Closing the Interview

1. Did he control when the interview should close?
2. Did he end on a positive note?
3. Did he leave the applicant with a good impression of the agency?
4. Did he make appropriate notes after the applicant left?

Interview Preparation

A basic part of any interview is proper preparation by the interviewer. You must give an interview a structural skeleton around which to build it. Otherwise, it may turn into a conversation without any value in determining whether the applicant should be employed.

Before any applicant enters the interviewing room, you should study his application and résumé thoroughly. If any areas are vague, require more information, or indicate strengths or weaknesses, note them so that you can ask the proper questions.

In planning the pattern of questioning, keep the objectives of the interview in mind. These are concerned with evaluating the applicant in terms of (1) the technical qualifications required for the position, and (2) the personality traits needed for success in this job.

The task of finding how well an applicant qualifies for a specific job is fairly straightforward since you already have the employer's job order with its specifications. When some jobseekers complete applications without an advertised job in mind, the situation is more complex.

Required job skills are easy to identify from the specifications. Questions geared to job skills are either of the test type (for example, "What type of equipment would be most suited to this process?") or of the experience type ("How did you handle this in your last job?").

Personality qualifications, on the other hand, are much more difficult to measure. Presumably, the job specifications incorporate some basic personal factors in it (for example, "must be able to work under pressure," or "should be self-reliant"). However, many personality factors are impossible to reduce to a simple statement. Here you must take into consideration (1) your personal knowledge of the job, (2) the people with whom the applicant will have to work, and (3) the employee's own "personality." Before interviewing the applicant, therefore, you should note on either the résumé or a separate paper some basic questions to use in bringing out skill and personality factors.

Establishing Rapport

Establishing rapport is basic to any successful interview. In order to obtain the best results from an interview, you must put the applicant at ease. If you make him tense, he will not respond and your interview will fail to meet its objectives. Even though establishing rapport takes a little time, it is worth it. And to make the applicant feel at ease, you, as interviewer, must be at ease. Keep interruptions at a minimum.

The manner in which you put questions and seek information has a marked effect on amounts and kinds of information you get. There are many well-known types of questions and statements to avoid because of negative effects.

For instance, you should start the interview by making minor observations and asking noncontroversial questions.

DO .....Select an innocuous area from the application and put the applicant at ease.

Example: "I see you went to New Utrecht High School. Did you know Mr. Leonard, who teaches English there?"

DON'T ...Start the interview by putting the applicant on the defensive with questions like—

Example: "Why were you fired from your last job?" Or, "What makes you think you can handle this job?"

DO .....Ask a direct question that elicits information.

Example: "Tell me what you have done in budgeting."

DON'T ...Ask questions that can be answered "yes" or "no." This stifles information.

Example: "Have you any experience in budgeting?"

DO .....Frame questions so as to get needed information.

Example: "What discount stores have you called on?"

DON'T . . . Put words in the applicant's mouth

Example: "You have called on discount stores, haven't you?"

DO . . . . . Ask questions that develop information as to specific parts of the applicant's background.

Examples: (Experience) "What were your responsibilities regarding the purchasing of equipment?"

(Knowledge) "How did you—or would you—cope with this problem?"

(Attitudes) "How do you feel about heavy travel?"

(Motivation) "Why do you wish to change jobs now?"

DON'T . . . Ask questions that are unrelated to your objectives.

Communications Skills

Some of the major barriers to good interviewing may stem from poor communications skill either on your part or the job applicant's.

Vocabulary is obviously a key communications tool. As an interviewer, your use of words is very important. Your general word use may be excellent. Still, your vocabulary may fall short in interviewing for certain types of jobs. Many occupations have a language of their own and knowing the vocabulary is essential to understanding.

On the other hand, interviewers may tend to use words that are too difficult—and therefore not familiar—for certain applicants. Using unfamiliar words—technical language, for instance—may defeat the purpose of the interview.

Semantics goes beyond words to develop associations, emotional content in language, and special meaning. Words mean different things to different people, based on their own background. If you tell one applicant your client company runs an "efficient" shop, he'll interpret it as a place where redtape is cut to a minimum. Another man will think: "They'll fire me

if I make the slightest mistake." To avoid semantic problems, try to recognize possible areas of misunderstanding by observing facial expressions and reactions to your questions. Obtain feedback in the interview by rephrasing a question on which clarification is needed.

Listening as a Communications Skill

A good interviewer will do a minimum of talking and allow the applicant to express himself freely. Often hiring decisions are made without any real knowledge about the applicant because the interviewer talked too much, and did not give the applicant a chance to talk. Just as much a problem is failure to listen to what the applicant is saying. Take a typical case.

An applicant has been telling his story for the past 15 minutes. What have you, as an interviewer, been doing? You may have started by listening, but after a while perhaps your mind began to wander. Perhaps you started thinking about your next applicant, or a golf game you are planning for the weekend. Perhaps you really, unconsciously, stopped listening and missed the point.

Why does your mind wander in this fashion? Psychologists say people think many times faster than they talk. You subconsciously complete your applicant's sentence before he does. Often you will assume, incorrectly, that he will say what you expect him to say. In the time that elapses between your completion of his sentence and his actual statement, your brain has absorbed the ideas at hand and is free to digress.

While these thoughts, related or unrelated, are flowing through your brain, the applicant is still talking. The sentences he started and you finished in your mind have been completed—either as you expected or otherwise. He has continued talking, adding new sentences, introducing new ideas. What has happened to you? You have missed the point. You heard his words but they did not register. You were not really listening!

What can you do to overcome this tendency not to listen?

You have to know immediately when you start not listening. Perhaps the applicant has a dull, dreary voice—your mind be-

gins to wander. This is the danger point. STOP. LISTEN. You hear words, but not ideas. STOP. LISTEN. You have lost the question or the answer. STOP. LISTEN. Once you stop to listen, the problem is half-solved.

Here are some basic rules for good listening:

1. *Adjust the conversational climate.* If possible, clear the desk to remove papers which might be a source of digression.

2. *Concentrate.* Watch the speaker. Always be alert to signs of wandering. What you want to hear and absorb, you do hear and absorb.

3. *Don't anticipate.* You do *not* know what the speaker plans to say. Your guess may be all wrong. Wait and listen.

Controlling the Interview

You usually have only a limited amount of time to devote to each applicant. In a screening interview, this may range from as little as five minutes to an hour or more. You must keep control of the situation to assure that the applicant does not digress or fail to give the required information.

Problem interviewees fall into two major categories. The first is the shy or uncommunicative applicant. He is afraid and nervous. This nervousness may manifest itself by the usual signs—fidgeting, perspiring, playing with eyeglasses or handbag, and the like. However distracting this may be, it becomes a problem only when the interviewee does not respond to questions. Answers may be monosyllabic or bare responses giving no real information.

As a good interviewer, you can overcome this problem by spending more time establishing rapport. You can talk about innocuous matters to get the applicant to comment on noncontroversial aspects of his background.

As an example: You can question a recent high school graduate about school interests, friends, teachers, and activities. This approach will normally calm him and enable the interview to proceed.

A mature person who has not sought a job for many years may also be afraid and nervous. You can reach him by talking about some aspects of his background which the interviewer

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may share. You can also question him about his major successes on his previous or present job. When people talk of things of which they are proud, it eases their nervousness in a new situation.

Once you have built rapport, ask open-end questions which require broad answers, rather than very specific questions. Respond with nondirective comments such as "Uh-huh," "I see," "Tell me more." After the initial nervousness of the applicant is overcome, the balance of the interview should go smoothly.

The other type of problem interviewee is the exact opposite. He talks too much. This may result from nervousness or it may be a personality trait. This applicant not only takes the ball but also carries it across the field with every question.

Digression is his main problem. Usually, he goes off on tangents. As the interviewer, your problem is to control the interview by interrupting, guiding, and closing the interview. In answer to "What experience have you had in selling to food chains?" this type of applicant may respond: "I've called on every major chain in the East. You know Joe McGrath of A&P. He and I are old friends. Last year, I took him to a baseball game . . ." and so on.

When questions elicit this type of response, you must assume control. You can do this by frequent interruption with key questions. You wait for him to pause for breath, and then ask a question which will bring him back on the track.

You must practice keen listening, and have enough knowledge of the subject to frame the right questions, to control this interview. You must also repeat the process every time a digression occurs.

Closing the Interview

Once you feel that you, as interviewer, have all the information you need, you may tell the applicant something about the job and the employer. Describe the job and its opportunities positively. Whet the applicant's desire for the job. (This will be discussed in the next chapter.)

At the interview's close, you may ask the applicant if he has any questions and answer them to the best of your ability.

The next step depends on the applicant's response. All interviews should end on a positive note. If the applicant is qualified, tell him that you believe the employer may be interested and what the next step will be. Give some indication of when he may hear further.

If, on the other hand, you feel the applicant does not qualify for the position in question, state your rejection carefully. A good example is: "Although your background is impressive, other candidates have experience closer to the job requirements."

If, however, you intend to refer the applicant to the employer, you should tell him so, and give some indication of when he may hear further.

Many personnel people do not like to tell an applicant he is not going to be hired but prefer to write him. If you follow this policy, tell the applicant he will be notified in a few days. Do not procrastinate. Once an applicant is rejected, it is only fair to advise him at once.

The interviewer should control the close just as he does the body of the interview. A final statement like "Thank you, Mr. Jones, you will hear from us next week," is normally an adequate close.

If the applicant continues talking, the interviewer may stand up. Most applicants recognize this as an indication of completion and will also rise and leave. Occasionally, however, an applicant will continue to talk after rising. The only way to stop him is to escort him gently to the door.

9

Placing Applicants

WHEN APPLICANTS have been interviewed, you must decide to what position or positions, if any, they may be referred. Referrals are simple if the applicants have answered a particular classified ad for a specific job. If, however, they are not applying for specific openings, you will find the matching of jobs and jobseekers more complicated. In such cases, you will check your current job order files to identify positions for which they qualify.

Referral Methods

Referrals may be made in various ways, depending upon the wishes of the client companies:

1. *Direct referral.* For many jobs—particularly at the clerical, hourly, or junior levels—you may give an applicant a referral card (see figure 9) or letter and send him directly to the company. Employers will usually see these people at any time without previous appointments. Many firms encourage this practice. Others prefer specific appointments. In taking a job order, ask the employer his preference.

Some agencies request that the company return the referral card to them to indicate whether or not the applicant was employed. It is a good practice to keep a copy of the referral for your followup file.

2. *Setting up an appointment.* Many companies do not want applicants appearing for interviews unannounced. If you have an applicant you feel fits the job, phone the company contact and set up a time for him.

In some instances, the employment agency must "sell" the applicant to the company over the telephone in order to get the appointment. When making such a call, prepare what you will say carefully. As you are aware of the key factors in the job description, play up these aspects of the applicant's background. For example, if a candidate is equally skilled in two aspects of a job, but the company is primarily concerned with only one, emphasize his skill or knowledge in that area in your phone conversation.

FIGURE *9.—Referral card*

ROYAL EMPLOYMENT AGENCY
200 Ferry Street
Trenton, N.J.

_____ 19____

This introduces _____

an applicant for the position of _____

Salary $_____

Attention _____ Room _____

Firm _____

Address _____

Per _____

If the applicant is in your office when you make the call, you can make a firm appointment right then. If you reach the company at a later time, make a tentative appointment and confirm it with the applicant, or advise the employer that the applicant will phone for an appointment.

FIGURE *10.—Résumé referral form*

ROYAL EMPLOYMENT AGENCY
200 Ferry Street
Trenton, N.J.

The attached résumé of _____

is submitted for your consideration as _____

_____. Salary $_____

Comments:

_____
Counselor

3. *Résumés.* In senior positions in administration, engineering, marketing, and other areas, companies often request that résumés be submitted before an appointment can be made. Most applicants for such positions have prepared résumés. Usually, they give them to you at the time of their registration.

In sending a résumé to an employer, first be sure it reflects the applicant's background in the areas of special interest to the employer. If a résumé does not provide adequate information about the applicant, it is self-defeating. Have the applicant rewrite it to show those aspects of his experience about which the employer is most interested.

Résumés should be forwarded to the employer with a transmittal form or a brief note carrying your comments about the applicant. (See figure 10.)

4. *Followups on referrals.* A day or two after the résumé has been mailed, you should phone the employer to check on its status. Offer to answer any questions the employer may have about the applicant, and try to arrange an interview. If the employer does not show interest, determine the reason so that you can screen future applicants better. If there is interest, arrange an interview.

5. *Open orders.* Once a good relationship is established with a company, you will receive "open orders" from them. An open order means that you are authorized at any time to refer certain types of personnel to the company without a specific request.

Most agency personnel know their open orders and always keep on the alert for new applicants who meet the necessary specifications. When they see such applicants, they should refer them to the client immediately. These candidates are "money in the bank" and action should be taken on them without hesitation.

Non-Job Order Applicants

Some applicants do not come in response to advertising on a current job order. Moreover, they do not fit into any open job orders. However, you may feel that you can place them. For this type of applicant, you will probably choose to "explore" the job market.

You may do this by telephone or by mail. The choice depends on the type of position for which the applicant qualifies. Usually, phone promotion is most practical for persons in the below-$10,000 salary category. Mail promotion, by résumé, is usually the best method of promoting persons in higher salary brackets.

A good applicant in the lower pay categories is well worth ten or more phone calls to develop interest in him. In his behalf, you may phone regular employer-clients that you believe

may find a spot for him. In some instances, you may want to contact other companies—even if they are not your clients—in the business in which your applicant has experience. Such telephone exploration, besides often resulting in a placement, can open doors to new clients by giving them an idea of what you can do for them.

For persons in the higher salary areas, you can see the résumé as a promotion vehicle by mailing it to companies which you believe can use his services. You can also use his qualifications in bulletins and brochures. If there is a response, you can also obtain a job order and arrange an interview for the applicant.

Giving the Applicant Job Information

Once you have arranged an interview with the employer, you should always prepare the applicant for it. No applicant should go to an interview without some knowledge of the company and the job for which he is being considered.

During periods when you are short of applicants, it may be necessary to convince an applicant he should accept the job. He may be interviewed at many companies and may receive several offers. Your agency should do its best to lay the groundwork for his acceptance of an offer.

You can provide information about the company as prospective employer by showing the applicant brochures describing the company, its products, history, job opportunities, and other pertinent material. Company personnel people are usually glad to give this material to employment agencies with which they are working.

Using such material as well as your experience, you should tell this applicant as much as you know about the job to which he would report, his place in the company structure, and the like. On the other hand, the employer himself rather than the agency will discuss with him detailed information on duties and responsibilities.

If you know the selection procedures used by the company, tell the applicant how long an interview to expect, how many people he will see, whether or not testing is used, and the like.

Ask the applicant to phone or visit you after the interview, so you can counsel him on subsequent procedures.

Most agencies check with the employer within 24 hours after the interview for his reaction. If this reaction is favorable, then determine with the employer what the next step will be. If this involves further interviews, tests, and so forth, be sure to tell the applicant. Often a misunderstanding about who is to make the next contact can be cleared up with one phone call.

Your agency should act as a broker when necessary in closing the deal. Indeed, one of your agency's most significant services is to bring together applicant and employer in a mutually satisfactory arrangement.

Agencies may help clarify the applicant's doubts about the company, the job, the financial package, and the like, and at the same time the company's reservations about the applicant's qualifications. They frequently assist in negotiating salaries, compromising differences, and generally "making the marriage."

Closing the Sale

Placement is one of the few areas where the salesman (the agency) seldom can close his own sale. Your employment agency can bring both parties to the brink, as the go-between, but they must make an agreement without your presence. However, there are many things you can do which can expedite closing the sale.

1. *Precondition both parties.* If you are convinced that the applicant and the company are suited for each other, presell (but do not oversell) each to the other.

Tell the company contact about the applicant. Stress those aspects of his background directly related to the company's needs. Arouse preliminary interest so that when the applicant comes for his interview, he will be anticipated with a positive view.

Discuss the company and the job with the applicant. Show him how the job fits his short- or long-range career objectives, what he will do, what he can learn, where he can advance, how much he may earn. If relocation is required, outline its advan-

tages. Find out—before the interview—if he has any reservations, so that you can help resolve them.

2. *Followup.* After the interview, discover any objections that either party may have. Try to overcome them by obtaining additional information for either party. In case of doubts, try to bring both parties together again.

3. *The offer.* Most companies, if they offer the job to the job candidate, do so at the final interview. Some confirm it in writing; others do not.

If you feel the offer may be rejected, tell the company why. Is the salary too low? Many offers are not even considered because of this. If it is not in line, try to talk the employer into raising it or to spell out the entire compensation package to the applicant, so that he can evaluate it as a whole.

If the applicant is unhappy with the offer, find out why. Learn whether you can clarify his doubts or do anything to arrange a renegotiation.

Do not give up. Keep trying until he gives you a final "yes" or "no" answer.

If you have established a good rapport with the client company and applicant, your opinion and actions regarding the situation will be carefully considered. It is a vital part of your professional service to use every effort to close the placement.

Rejecting the Applicant

If an applicant is of no interest to them, most companies will notify him within a short time. Sometimes, however, the company requests the agency to do this.

In rejecting an applicant, always take special care not to embarrass him, hurt his feelings, or divulge any confidences the employer has made known to you. The best way to reject the applicant is to tell him the obvious truth—that the employer did not feel he was close enough to the job requirements.

In cases where, in fact, the rejection has been based chiefly on failure to meet job requirements (of experience, education, and specific skills, for instance), you need not hide this fact. In cases where personality is a factor, it is more difficult to tell the

applicant the reasons. However, if the personality factors involved were those which he could correct to his own benefit before another interview (for example, neatness, carelessness of speech, style of clothes or hair), cautious suggestions on your part may be helpful.

If you are told by the company contact, on the other hand, that references were poor, or that the applicant's character or personality did not meet the company's standards, it is highly unethical for you to repeat such a confidence. As an agent, you may have other positions that the applicant can fill. Unless the report from your client company has turned up serious problems that will hinder placement in general, you should continue to work with the applicant until he is placed.

The Federal Fair Credit Reporting Act (effective April 1971) applies to employment agencies that check references. Be sure to comply with the rulings governing this Act as they are issued.

Most applicants will find jobs through your agency or through some other source. Don't give up because of one or two rejections.

10

Agency Fees and Accounting

YOUR EMPLOYMENT AGENCY INCOME arises from fees paid by the applicant, or the employer, or both. In return, you render the service of obtaining a job for the applicant, and an employee for the company. No matter who pays, the service is rendered to both parties.

To set fees for your services, you must know your State laws regarding not only fees but also employment agency operations, if they are regulated. State laws sometimes specify the circumstances under which a fee is earned.

In most States, an agency may collect a fee if an applicant accepts *any job* with a company to which he has been referred. It does not matter whether this is the same job for which he was referred. (For instance, an applicant, sent to a company for a stenographer's job, cannot pass the test but is employed by the company as a typist. This is considered a placement, and a fee may be charged.) In some States, other rulings govern what makes a placement. Be sure to study your State statutes and all implementing administrative rulings on this and related matters.

How Much To Charge

Since fees constitute your whole business income, the establishment of fee schedules is one of the major business decisions you must make as an agency owner. In some States, this decision is made for agency owners by State law. Here, fees are regulated by statute, and all employment agencies must adhere to them.

In other States, the agency must submit its fee schedule for approval to the appropriate authorities; and once it is approved, it may not be changed without being submitted again for new approval. In still others, there is no regulation at all concerning fees.

When the agency is free to develop its own fee schedule, several factors must be considered:

1. *The competitive situation.* You must know what fees your competitors are charging. You do not need to just "go along" with other agencies' fees, however. If you are offering different or better service, you can charge more. If competing agencies are charging lower rates than those being paid elsewhere, you still may be able to charge the higher rates.

If, on the other hand, you think the competitor agencies are charging too high a fee, you may use a lower fee schedule. Experience shows, however, that lower fees do not necessarily increase business.

2. *Employer-paid fees (EPF) and applicant-paid fees (APF)* need not be the same. When State law does not prohibit it, agencies may set up separate schedules for the two types. Usually, most employers are able and willing to pay higher fees than applicants—especially when you provide them with the services they require.

3. *A lower fee than the posted one* may be charged in States where rates must be approved and posted. (A higher one, however, may not be charged.)

4. *In franchised agencies,* your contract with the franchisor may provide for fee approval or coordination with other franchisees in your area.

5. *A regional employment-agency association*—where it exists —provides information on fees. As most agencies publish their fee schedules, it is easy to obtain them and to study the fees of all other agencies in your area before developing your own.

Employer-Paid Fees (EPF)

Increasingly, the trend in the employment-agency industry is to have employers pay all the agency fees, or a good portion. Employers become more and more willing to do this when a shortage of good applicants exists.

The employer-paid fee offers many advantages to the agency for all or most of its jobs. When employers advertise jobs directly, many good potential applicants prefer to answer these ads rather than pay an agency fee. When you can advertise your agency's jobs as "fee paid," these applicants become willing to register with you. You obtain more and better applicants.

When the employer pays the fee, you generally have no collection problems. Collecting fees from applicants, on the other hand, often requires more attention. This is because companies pay the entire fee at once, whereas applicants usually pay in installments. As a result, EPF reduces your bookkeeping to a minimum.

Although many employers will assume agency fees as a matter of policy, others will have to be convinced. In any event, there should be an agreement regarding fee payment at the time the job order is received. Do not wait until after the applicant is hired.

Refunding of Fees. Sometimes, you will make a placement only to find that the employee you have referred does not remain on the job for a specified period of time. Some State laws have provisions regarding refunds in such cases especially when the fee is paid by the applicant. If the employer is paying the fee, however, most States allow the agency to make its own policy. Often, entitlement to a refund depends on whether the applicant lost the position through his own fault.

Even though an agency has fully earned his fee when the ap-

plicant is hired, it can maintain better relations with employers if it establishes a refunding policy. The form of the refund varies. Many agencies refund a portion of the fee to the employer if the applicant leaves within 30 days; others give 60 or 90 days; still others have other variations.

The amount of refund may be based on a percentage of earnings (for instance, the agency keeps 10 per cent of actual earnings and refunds the balance to the company). On the other hand, it may refund a portion of the fee (for instance, the agency retains one-half, one-third, one-fourth or some other fraction of the fee) depending on how long the employee remained with the company.

Fees. Once you have established a schedule for employer-paid fees, you should have it printed. Figure 11 shows a typical employer fee schedule. Be sure that the warranty or refund policy is clearly indicated on this schedule. The amount an employer is obligated to pay as a fee should be clearly understood.

Probably, the most important difference between applicant-paid fees and employer-paid fees is that the former are more often regulated by the laws of various States. These laws determine whether or not you can charge the applicant a fee for registering with your agency and sometimes specify the maximum amounts that you can charge when you place an applicant in a job.

Applicants registering for any position at your agency (one where they *may* have to pay a fee), must sign an employment-agency contract. The contract specifies:

1. Under what *circumstances* a fee is earned;
2. How *much* the fee will be;
3. *How* it should be paid;
4. A provision for *refund* if employment is terminated;
5. The applicant's *obligation* if the job is accepted and the applicant fails to report.

As contracts are legal documents, your attorney should check yours before it is finalized. Under certain conditions, your contract may come under the provisions of the Truth-in-Lending

Law, Regulation Z, administered by the Federal Trade Commission. The contract may also require approval by State authorities. Most State regulating bodies will provide recommended contract forms. Some require that you give copies of

FIGURE *11.—Typical fee schedule for employers*

FEE SCHEDULE

Percent of annual salary payable by the employer

When annual salary is $9,000 to $10,999, our fee is 10%
When annual salary is $11,000 to $11,999, our fee is 11%
When annual salary is $12,000 to $12,999, our fee is 12%
When annual salary is $13,000 to $13,999, our fee is 13%
When annual salary is $14,000 to $14,999, our fee is 14%
When annual salary is $15,000 to $15,999, our fee is 15%
When annual salary is $16,000 to $16,999, our fee is 16%
When annual salary is $17,000 to $17,999, our fee is 17%
When annual salary is $18,000 to $18,999, our fee is 18%
When annual salary is $19,000 to $19,999, our fee is 19%
When annual salary is $20,000 — or more, our fee is 20%

Acknowledged by_____

Title_____

Company_____

Please initial and return one copy for our records.

Terms: Net 10 days

Warranty: If employment is terminated for any reason within first 60 days, our entire fee shall be reduced to 10% of gross earnings.

the contract to the applicant. (Two typical contracts are shown on pages 27 through 31.)

Applicant fees are often paid to you in installments. This fact should be specified in the contract and reiterated on a specific basis when the applicant is billed.

Partial Fee Arrangements

Most of the time, in arrangements when payment of the employment agency's fee is shared by the applicant and the employing company, the APF fee schedule prevails. Therefore, it is to the agency's advantage to encourage the company to pay the entire fee. The obvious advantages for doing this are higher income and easier collections. When you cannot negotiate an EPF schedule, however, you may want to try and make one of several arrangements.

Half-fee paid. Some employers share payment of the fee with the applicant. This practice is more prevalent in lower paying jobs. However, if you make such an arrangement with an employer, you cannot advertise the job as "fee paid." You must bill each party separately.

Fee reimbursed. Many employers prefer to have the applicant pay his own fee. After the employee has remained on the job a stated period (varying from three weeks to a year—with an average of 3 to 6 months), they reimburse him for the fee. In such an arrangement, your agency must collect the fee from the applicant. Usually, the applicant will be required to show receipts for payment from the agency in order to be reimbursed.

Fee negotiated. In this instance, the employing company bargains with the applicant about the fee. It becomes part of the compensation package along with salary, relocation expenses, and other items. The applicant and the company determine how much the whole package will cost and which items will be paid by the applicant or by the company.

Usually the rates on your APF schedule prevail in a negoti-

ated fee. This is an advantage to the employer, since APF rates are lower than EPF rates in most agencies. Therefore, in a negotiated fee, the employer can pay less by arranging for the applicant to pay the fee.

Collections

Collection problems seldom occur when the company pays the fee. You should send the company an invoice (see figure 12) when the applicant starts the job, marked "payable upon receipt" or "payable net 10 days." Most companies will pay between 10 and 30 days.

Some agencies offer discounts to employers for prompt payment. At one time this was a prevalent practice, but in recent years most agencies, following the custom of other professional services, do not give discounts. In those few cases where discounts have been offered, they usually equal 1 or 2 percent of the fee if paid within 10 days.

When a fee from a company is unpaid approximately 20 days after the applicant starts, you should send a statement to the company. If you do not receive payment within the next week, you should telephone the company and ask for the Accounts Payable Department. Ask for the status of the invoice. This will usually expedite payment. If this call indicates there is a problem concerning payment of the fee, you will then have to speak to the personnel manager or whoever it is you worked with in making the placement.

It is unusual for an agency to have to go beyond this step in collecting from the employer. However, if the company refuses to pay your fee and you feel it is due, consult your attorney as to the appropriate legal steps.

When fees are paid by an applicant, the collection problem may be considerably greater, because an agency has in effect granted credit to every applicant it places. You cannot deny this credit once an applicant has been placed, although some applicants are just not good credit risks. An agency must do all it can to minimize this risk.

Some collection problems arise from misunderstandings about the fee. You should fully inform each applicant referred

on an APF job what the fee is, how he is expected to pay it, and other conditions of payment. A few minutes of explanation *before* referral will save much time and trouble later.

As an agency usually does not make credit checks on applicants, you should also take certain simple steps to prevent accounts from becoming "uncollectable." Obtaining certain personal information on the application form will be helpful, in case you have to turn over the account for collection. Some questions of this type are:

FIGURE *12.—Invoice to employer for placement of an employee*

ROYAL EMPLOYMENT AGENCY
200 Ferry Street
Trenton, N.J.

To: *Personnel Manager*
ABC Company
Trenton, New Jersey

Service charge: *$1,100*

For placement of: *John Q. Jones*

Position: *Sales Manager*

Date of employment: *May 1, 19—*

ACCOUNTS ARE PAYABLE IN FULL WITHIN 10 DAYS OF STARTING DATE.

(Signature of agency owner)

Do you own your own home?
Do you own an automobile? Year and make?
Name of bank: checking account? savings account?
Name and address of person who has known you over 5 years.

A key factor in collection procedure is the method of billing. Bills to applicants should specify amount and date due, for each payment. (See figure 13.)

The agency should set up a calendar or schedule of payments due, by date. You can keep such a schedule on your desk calendar. If payment is not made when due, you should send a reminder note. This may just be a carbon of the invoice stamped "Second Notice" or "Have you forgotten this?" Or it may be a printed form or letter indicating that payment has not yet been received. If payment is still not received within five days, you should send another notice, more strongly worded.

Some agencies omit the reminder notices and telephone the applicant if he fails to respond to his first billing. Such a call should be made by the counselor who placed the applicant. He should inquire as to how the job is going and then determine if there is any reason why payment has not been made. Insist on obtaining a firm commitment as to when the money will be forthcoming. If there is a real financial problem, a new schedule of payments can be arranged. If so, make sure the applicant confirms it in writing and the agency enforces it rigidly.

When all else has failed, you will have to resort to professional collection assistance.

Accounting Procedures

In addition to a system of charging and collecting fees, you must have a systematic way of keeping records of all money due, received, owed, and spent.

For tax and other accounting practices, you should have an accountant set up your formal accounting books and periodically make necessary entries. It is suggested that he set up your books on a cash basis. This means that the only entries made are of cash when received and of expenditures when paid. You

do not include receivable items and payable items in your formal bookkeeping. They are kept informally for your own information.

Expenditures. In this system, all expenditures are paid by check and the check stub is your record of payment. Any cash outlays are reimbursed by petty-cash checks and the use of the

FIGURE *13.—Invoice to applicant for placement services*

ROYAL EMPLOYMENT AGENCY
200 Ferry Street
Trenton, N.J.

John Q. Jones
1365 Longview Avenue
Trenton, N.J.

Fee *$1,100*

First payment	*$550*	Due: *May 1, 19—*
Second payment	*$275*	Due: *June 1, 19—*
Third payment	*$275*	Due: *July 1, 19—*
Date of employment	*May 1, 19—*	
Company	*ABC Company*	
Position	*Sales manager*	

money is accounted for. For tax purposes, receipts or vouchers should be kept for at least 6 years. Be sure to keep a careful record of expenditures.

FIGURE *14.—Payroll sheet showing hours worked and compensation for each employee*

PAYROLL RECORD

Name of employee _____

Week ending _____

	Time in	Time out	Hours worked
Monday	_____	_____	_____
Tuesday	_____	_____	_____
Wednesday	_____	_____	_____
Thursday	_____	_____	_____
Friday	_____	_____	_____
		Total hours	_____

Compensation for week $_____

Check one: _____Salary
_____Advance against commission
_____Commission

COMMISSION RECONCILIATION

Receipt No._____ Amount $_____
_____ _____
_____ _____
_____ _____

Total received $_____

Gross commission $_____
Less advances _____
Net commission $_____

Chart of accounts. Your accountant will have to set up a chart of accounts for your books. Most of the accounts will be typical—assets, liabilities, and expense items—to any small business carried on in an office setting. The important accounts of an employment agency—and requiring special attention because of their importance—are counselors' fees or commissions and advertising expense.

Payroll. To comply with minimum wage laws, records should be kept of the hours worked of every employee (both counselors and clerical workers). This may be kept in a payroll book (available in any stationer's) or on payroll record sheets. (See figure 14.) These record sheets can also be used for payment of commissions. Be sure to check this practice with your accountant.

Accounts receivable. Since your books will be set up on a cash basis, your bookkeeping system will not have an accounts receivable account. Nevertheless, you should have a record of

FIGURE *15.—Applicant placement record used as an account receivable form and filed in order of date due*

PLACEMENT RECORD

Counselor

Starting date Salary Fee

Company Job title

Address Phone

Bill to company to be sent to attention of Reports to

Terms

Remarks Billed

monies due. The simplest system is to use a placement form (see figure 15) as the receivables record when an applicant is placed. You can make a record of the applicant's payments on this form and file the forms in one place in order of date due.

When full payment is made, the form is filed in a "paid up" file. If a partial payment is made, it should be noted on the form with the balance due and filed under the date the next payment is expected.

Accounts payable. Some agency owners prefer to pay bills as received and thus keep no accounts payable file. If you prefer to pay once or twice a month, payables can be kept in a special file until paid. Once paid, bills should be marked "Paid" and the date and check number entered on them.

Records Retention

Various jurisdictions have different rules as to the length of time employment agency and other general business records should be retained. Your attorney and/or accountant should be consulted for this information.

11

Selecting, Training, and Compensating Counselors

THE SUCCESS OF AN EMPLOYMENT AGENCY depends on people —the job applicant; the company representative; and their go-between, the agency counselor.

You may start your new business with only yourself and your wife or husband to meet the public. As the services of your agency become known, you may need to add a counselor or two to help handle the increased business which you can bring in.

When you take on employees, the process of selecting, training, and compensating them is one of the most important you will undertake.

Agency Policy

First, it is important for you to decide whether or not you will have a staff of counselors, how many you will need, and whether your counselors should have a specialty. If you prefer a compact operation, and would rather function as a counselor yourself than as a manager, then you should keep your staff to a minimum.

How specialized should your counselors be?

If the volume of business will support them, at least one counselor for each job specialization is recommended. But in a small agency counselors need to handle all types of jobs while specializing in several types of jobs.

If you hire counselors, how many should your agency have (as a final goal)?

The answer depends on the size of your city and on your objectives as an agency owner. In smaller communities, a total staff of two to four counselors is suggested. In larger cities, agencies can maintain a bigger staff. In Chicago, for example, some agencies have 100 or more counselors.

Finding Counselors

How will you locate the right man or woman?

Finding people with the potential for your business may take time. The best place from which to recruit counselors is your own applicant file. You should contact applicants who have used your own agency, and who have the personality makeup you are seeking and knowledge of the field you want to cover. These men and women are often good prospects because they know your agency and have seen how you work.

You may want to advertise for counselors. You should place your ad in local papers and play up the opportunities your job offers. An example of such an ad follows:

> PERSONNEL COUNSELOR
> OPPORTUNITY
> to join growing employment agency staff. Excellent chance for top earnings. Place accountants and EDP personnel. No previous agency experience required. We will train you. Phone Mr. Hill, Hill Personnel Agency, 666-9999.

Similar ads may be run under other leads, like PERSONNEL TRAINEE or SALES TRAINEE. If you seek counselors with specific knowledge of a field, run the ad under the job category, such as ACCOUNTANT, ENGINEER, and the like.

Selecting a Counselor

What should you look for in selecting a counselor?

First of all, your counselor is a salesman. He sells your services as an agency to prospective employers and to applicants. He sells either the employer or the applicant the reason for paying your fee. He sells the applicant's qualifications to his new employer, and he sells the advantages of working for the new employer to the applicant. Accordingly, a major qualification in the counselor is sales ability.

On the other hand, he need not be a high-pressure salesman. The hard sell is rarely effective in agency work. The new counselor should be persuasive and persevering rather than aggressive. He or she should be a person who can communicate easily with all kinds of people.

Your counselor should also have empathy—the ability to see and understand the points of view of other persons. He must be able to relate easily to other people and to gain their confidence and trust.

Where do these counselors come from?

While some applicants come from sales fields, others may be interested in changing into counseling to use a selling talent which was not required in other jobs.

If, on the other hand, your counselor comes from a specialty field (engineering, accounting, and the like), he can be extremely valuable in understanding job requirements in his own field and evaluating specialized applicants. However, he must still have the motivation and drive characteristic to the salesman.

You may, like some agency owners, seek counselors who have worked for another employment agency. This practice may result in obtaining some excellent people with fine experience which will bring rapid productivity to a new agency. However, check carefully on how successful he has really been. A counselor who failed with another agency is unlikely to be successful with yours. Many counselors move from one agency to another, hoping that each new one will be the one that opens the magic door of success.

What are the characteristics of a good counselor?

Among general characteristics, age and sex are open matters. Some very successful placement workers enter the field in their early twenties, others in their fifties or sixties. Keep in mind that, in their assignments, young people relate best to other young people and older persons relate best to others of their own age. Managerial jobs, and positions usually requiring maturity, are best handled by older counselors.

Women make excellent counselors for jobs in all categories. In fact, there are probably as many women counselors in employment agencies throughout the country as there are men.

Once you have a prospect, you should look for these specific personal characteristics:

1. *Is he or she mature in attitude, approach, and manner?*

2. *Is he sincerely interested in this job?* Is he really seeking this type of job? Or is it just a stopgap until he can find work in his own field?

3. *What has he already achieved in productivity and earnings, if he has worked for another agency?* Ask him to show you his W-2 form to learn about last year's earnings. Discuss his reasons for changing jobs. Are they logical? Beware of the job-hopping counselor who has worked for every agency in town.

4. *Does this applicant work best on incentive compensation —commissions?* Or, is he chiefly interested in a steady salary, fringe benefits, and security? Counselors usually work for commissions and should be motivated to earn high incomes.

5. *Can you work smoothly with him?* He will be working closely with you, so be sure that he is the type of person with whom you can get along. You should not hire anybody who will "rub you the wrong way."

6. *Is he intelligent enough to learn the business rapidly?* A dull person will be difficult to train. Also, he will not be able to relate well to employers or to specialized applicants.

7. *Does he have perseverance?* Placement is an up-and-down business. One may have long periods of great success followed

by a slowdown which may last several weeks before it changes. Persons who are easily discouraged are not likely to be happy or successful as counselors.

8. *Does he have the financial stability to undertake this job?* He should have reserves enough to pay his personal bills during the first portion of his employment. Depending on your compensation program, he probably will make only the minimum wage during that time.

The reasons for this delay are (1) it takes time to learn his new job; and (2) once he is trained, it still takes time for referrals to be made, applicants hired and started on the jobs, and fees collected. The higher the level of the job, the longer it usually takes to complete a placement.

Compensating Counselors

Compensation plans differ, from agency to agency and from city to city. In most agencies, counselors are paid on a commission basis. Commissions range from 25 percent to 40 percent of the placement fee. The national average is about 33⅓ percent. The percentage you should pay must be competitive with what other agencies in your area pay.

Most agencies pay a draw—or "advance"—against future commissions. When commissions are later earned, the money advanced is subtracted. This draw ranges upward from minimum wage levels and should be as high as feasible. You should be familiar with the requirements of the Federal Labor Standards Act in regard to payment of minimum wage and overtime compensation.

The two other widely used methods involve straight salary and salary plus bonus. Straight salary is used chiefly for trainees and persons working with lower level jobs. Almost all agencies paying salaries also include some incentive plan. Such incentive varies from a simple percentage, for instance, 10 percent of the placement fee, to elaborate plans which are calculated by an accountant.

Many variations are found in counselor compensation plans. Some are based on productivity, with incentive earnings paid

on a sliding scale. For instance, an agency may pay 30 percent on the first $1,000 in fees collected in any calendar month; 33 percent on the second $1,000; 35 percent on the third $1,000; and 38 percent on all collections over $3,000 that month.

Your advantage in paying a sliding-scale commission is that it gives the counselor an incentive to increase his productivity. Because the first $2,000 collected usually covers overhead expenses, an agency can afford a higher commission on placements over that figure.

Contests may be used to reward higher producers with cash or merchandise prizes. These stimulate activity over short periods of time. In addition, awards or recognition may be used for such things as the first placement during a week or month, the greatest number of placements, the highest individual placement fee earned, or the highest total fees earned during a specific period.

Training Counselors

The object in training a counselor is to make him productive as soon as possible. The sooner he can earn good commissions, the better for both him and you.

In a small agency, training is done on the job. You are the trainer as well as the owner. It is your responsibility to take the following training steps with every new counselor:

1. Tell the new counselor what you are going to do.
2. Show him how to do it.
3. Tell him why it is done that way.
4. Have him do it himself.
5. Follow up to see that he does the task correctly.

Give the new man or woman things to read at home before he or she reports for the first day at work. He should get familiar with items such as Federal antidiscrimination laws, the State employment-agency law, and Fair Employment Practices law, as well as books and articles which you found helpful when you learned the work. When he reports for duty, discuss the readings with him and answer his questions.

Tell him how you plan to train him and what he is to expect. Make sure that he understands what you have in mind.

When an owner has to fit training into his own work, it is a good idea to break the training into major parts and cover some of it each day for three days. Then you review and keep working with the new counselor for another two or three days. Your aim is to get the new employee to do more and more independent work each day until he can be left on his own. The training should cover:

Interviewing applicants,
Taking job orders,
Soliciting new business,
Evaluating applicants,
Referring and promoting applicants,
Paperwork (forms which you use),
Writing advertisements,
Writing promotional material about applicants,
Applicable laws and regulations,
Ethical standards.

Checklist for Counselor Training

Subject	*Scheduled training time*	*Completed*
Agency law	_____	_____
Fair employment laws	_____	_____
Interviewing (techniques)	_____	_____
Interviewing (role playing)	_____	_____
Interviewing (on own)	_____	_____
Evaluating applicants	_____	_____
Telephoning employers	_____	_____
Writing ads	_____	_____
Writing applicant summaries	_____	_____
Forms	_____	_____
Filing systems	_____	_____
Using research tools	_____	_____

Interviewing Applicants

In training him to interview, go over the principles of interviewing with the counselor. You may have him practice by interviewing you. Let him sit in when you interview an applicant. Then go over the interview with him. Explain why you did what you did. Give him the reasons for your evaluation of the applicant.

When he handles his first interview on his own, sit in with him. Take no part in the interview no matter how tempted you are to do so. After the applicant leaves, review with the counselor both the interview techniques and his evaluation of the applicant. In your critique, have the counselor suggest what action should be taken.

When the new counselor begins to work alone, follow through on several interviews. Have him discuss the applicants with you, so you can evaluate how he is handling them. Even when you are satisfied that he is doing a good job, it is a good idea to sit in once in a while to be sure that he is following good practices.

Making Employer Contacts

Teach the new counselor your methods of contacting employers in your area to secure job orders. Let him listen to you (on the extension phone) on a call to solicit these orders. Then, explain to him what you have done and what results you obtained.

Another good system is to play the part of an employer and have the new counselor make a mock call to you. You can then simulate the situations that might develop in this type of call.

A good aid in teaching telephone solicitation is a tape recorder. A criticism of a replayed tape is more meaningful than one of a call that has to be remembered.

Writing Advertisements

If you want your counselor to help with the advertising, set aside time to teach him. In learning to write effective classified

ads, real job orders should be the raw material. If he uses job orders that he has developed himself, he will relate more easily to them and know more about both the job and the client company.

Brief descriptions of your applicants' backgrounds are often used as promotional material for your agency in addressing employers. Have the counselor write these summaries on several applicants under your guidance.

Learning Internal Systems

A counselor must know your forms and filing system. Explain each of your forms and show him how to use them.

Followup

The formal training of a new counselor should last from 5 to 10 days. Usually a new counselor needs that much time before he or she can work completely alone.

After the formal training is over, you should follow up periodically because good counselor training never ends. As conditions change, new training may be needed. In addition, you may need extra training programs to help counselors overcome their weak spots.

12

State Laws Regulating Employment Agencies[1]

BEFORE YOU START an employment agency, you should become familiar with your State laws governing the operation of private employment agencies. If your agency is to be an independent one, check with your local authorities for information. On the other hand, if your agency is to be part of a franchise group, you will find that help in obtaining a license is part of most franchise agreements.

At the end of this chapter, there is a list, by States, of State agencies that are responsible for the regulation of employment agencies.

The following material will give you a general picture of legal requirements and regulations. However, you should keep in mind that the laws may be changed from time to time. Check with the proper authorities in your State for up-to-the-minute regulations.

[1] The material in this chapter is abstracted from *State Laws Regulating Private Employment Agencies,* Labor Law Series No. 5, July 1, 1968. U.S. Department of Labor, Bureau of Labor Standards, Washington, D.C., supplemented by unpublished information furnished by the Bureau as of September 1970.

Prerequisities for Operating a Private Employment Agency

Less than a handful of States have no laws regulating the operation of private employment agencies. They are Alabama, Mississippi, New Mexico, and Vermont. The other States have laws concerning license, bond, moral character, suitable premises, and practices. You must comply with these laws in your State in order to open and operate an employment agency.

Licenses. All of the laws regulating private employment agencies, except that of Washington, require licensing of the operator, usually by the State Department of Labor, but sometimes by some other State agency or by county or municipal authorities.[2] All licenses must be renewed annually except in Connecticut, where renewal is required biennially. The license fees range from $5 in Montana to $500 in Louisiana.

Surety bonds. All but six of the State laws require an agency to post a surety bond conditioned upon compliance with the provisions of the law.[2] The amount of the required bond ranges from $500 in Kansas, Missouri, and Wyoming to $10,000 in Minnesota and $20,000 for franchisors in Georgia.

Good moral character. Thirty-two of the laws provide that in order to obtain or retain a license to operate an employment agency, the operator must be of good moral character or a "suitable" person. Some laws require affidavits from local residents attesting to the good character of the individual. Some require that the applicant for a license must be a citizen. Others require the applicant to have lived in the area for a specified length of time. A few of the laws require that an applicant for a license be fingerprinted.

Suitable premises. Twenty-nine of the laws require that the business of an employment agency must be located in "suitable premises." Some of the laws specifically provide that no operator may be issued a license until an investigation has been

[2] Most States require a separate license and bond for each business location.

made of the premises where the business will be conducted to ascertain their suitability. Some specify that the "suitable premises" must not be those (1) that are used for living or recreational purposes, (2) where intoxicating liquors are sold, (3) where room and board are furnished, or (4) that are used for gambling or immoral purposes. There are various other restrictions in some of the State laws.

Other requirements. Eight States—Arkansas, California, Delaware, Minnesota, New Jersey, Ohio, Oregon, and Texas—require applicants for owners' licenses or other agency personnel licenses to take a qualifying examination to test their knowledge of the law regulating private employment agencies, the rules and regulations issued thereunder, and related laws.

"Related work." The laws of six States require the applicant to have had previous experience in employment agency or related work. Florida requires 3 years' experience; Georgia, Massachusetts, and New York, 2 years'; and California and Oklahoma require a minimum of 1 year's experience.

Related work has been interpreted in many ways by the authorities. Types of experience which have been accepted include company or government personnel work, supervisory or management experience, experience in any field which involved employment of personnel, military leadership, or administrative responsiblity.

Regulation of Fees

Some States regulate the fees—the principal income of an employment agency—which can be charged to the applicant, the employer, or both. Some of the laws regulate the registration fee. Some restrict the placement fee. Some States regulate both types of fees. And still other States regulate neither.

Registration fee. An employment agency is not allowed to charge a registration fee in 23 States and Puerto Rico. Eight States allow this fee, with the charge usually $1 or $2. Six States require you to get permission in order to charge this fee.

Placement Fee. Twenty-three States and Puerto Rico establish maximum fees applicable to placements generally. The fees are prescribed either in the law itself or by an administrative agency under authority granted in the law.

Maximum fees apply to placements in both permanent and temporary jobs in the following 17 jurisdictions: Alaska, Hawaii, Iowa, Kansas, Louisiana, Maine, Massachusetts, Montana, Nevada, New York, Oklahoma, Puerto Rico, South Dakota, Texas, West Virginia, Washington, and Wisconsin.

In the other seven States, maximum fees are prescribed for placements in temporary work only: Colorado, Connecticut, Delaware, Maryland, Ohio, Oregon, and Pennsylvania.

The fees in the different laws vary considerably. A few States set a flat maximum rate. Most of the States set the maximum as a percentage of the first month's salary. The usual fee for permanent jobs ranges from 20 to 25 per cent to 60 per cent of the first full month's salary, depending on the salary level, although a few States permit a lower or higher percentage. For temporary employment, the maximum permissible fee is usually 10 per cent of the amount earned, but not to exceed the fee for permanent employment. A few States permit a higher percentage.

The laws also differ as to the length of time a person must be on a job before it becomes "permanent." You should check the laws and regulations in your State.

In most States the fees paid by the employer are not regulated. The regulations only apply when an applicant is required to pay the fee.

Requirement of filing. Several States require that the agency file its fee schedule with State authorities. For example, the laws of Florida, Michigan, and New Jersey do not set a specific limitation on fees. However, these laws require that the schedules be filed with the administrative agency and be approved before they may be put into effect. Subsequent changes must also be approved.

Nine other State laws, which do not set maximum fees, require the fee schedule to be filed with the administrator. They prohibit an agency from charging more than the fees listed on

the schedule but do not require the administrator's approval of the schedule. These states are Arkansas, California, Georgia, Illinois, Indiana, Minnesota, North Dakota, South Carolina, and Virginia.

Refund of fees. To provide additional protection to applicants seeking employment, the laws of 40 States specifically require that a refund of some or all fees paid be made to an applicant under specified circumstances. Examples of these are when the position has been misrepresented; when the applicant has failed to obtain the position to which he was referred; or when the position lasted for too brief a period. Some of the laws require that the cost of transportation be refunded when the applicant has been sent a specified distance and the job to which he was sent failed to materialize.

Receipts. Employent agencies, under most of the State laws, must give an applicant a receipt for any monies paid the agency for any reason.

Records and reports. All of the laws except those of Idaho, New Hampshire, and Rhode Island require employment agencies to keep specified records and make certain reports. Most of the laws also specify the period of time for which these records must be preserved following the date of the last entry.

The records and reports vary in detail. The usual requirements are that the records show the name and address of each applicant for employment and each applicant for employees, the type of job, the services rendered, and the charges made. Several of the laws require that regular reports be furnished the administrator, showing the placements made and the fees charged. Another general requirement is that the employment agency maintain a reference file of all advertisements it places. This file must be available for inspection by the administrator or his representative at all times.

Posting. Many of the laws require an employment agency to post in a conspicuous place its fee schedule, license, and an abstract of the law. Some specify the size of the posters.

Prohibited Practices

Most states prohibit employment agencies from engaging in certain undesirable practices. The most common of the prohibited practices are misrepresenting employment opportunities, splitting fees with employers, referring an applicant without a bona fide order, sending an applicant to a place where a labor dispute exists, and sending an applicant to a place kept for immoral purposes.

Misrepresenting employment opportunities. The prohibition against misrepresenting, advertising falsely, or making false promises about employment opportunities or conditions or work is found most frequently. It appears in 43 of the laws regulating private employment agencies.

Splitting fees. The prohibition against fee splitting is to prevent collusion between an employment agency and an employer. For example, an employer places an order for a certain type of worker with an employment agency. The agency sends out workers, who are permitted to work until they have paid the placement fee; they are then discharged, and other workers who must pay their placement fee are sent to replace them. The fees are split between the agency and the employer. Thirty-six laws prohibit this practice.

This does not prohibit the splitting of fees among employment agencies which may work cooperatively on filling a job or placing an applicant. That is, one agency has one of the parties to a placement and the other agency the other party. By prearrangement, they cooperate to bring the two parties together.

Referring an applicant to employment without a bona fide order. The prohibition against referring applicants to employment wihout a bona fide order appears in 33 laws. A referral is lawful when the employment agency has an actual job order from an employer which authorizes the agency to refer an applicant to the employer, Such prohibition is necessary to protect the applicant from being sent to a nonexistent job, or to one which an agency may have seen advertised in a newspaper

and, although having no order from the employer, to which the agency sends an applicant, then charging a placement fee.

This does not prohibit the agency from writing or telephoning in response to an ad or directly to a company which it thinks may have interest in a specific applicant or answering a company's ad. It only prohibits sending the applicant *directly* to a company without first having received authorization from the company.

Sending an applicant to a place where a labor dispute exists. Thirty jurisdictions prohibit an employment agency from referring or sending an applicant for employment to a place where a labor dispute exists without informing him of this fact. Nineteen or these laws require that such notification be in writing.

In California and Michigan, it is unlawful for an agency to send part-time or temporary employees to a place where a labor dispute exists, and Delaware prohibits all referrals to such places.

Several States also have antistrikebreaker laws that could apply to employment agencies. These laws vary in detail, but in general they prohibit any person not directly involved in a labor dispute or lockout from recruiting persons to replace workers on strike or locked out.

Sending an applicant to a place for immoral purposes. The prohibition against sending an applicant to a place kept for immoral purposes appears in 33 laws. Usually, this provision is applicable to females only, but under the laws of Colorado, Indiana, Maine, New York, Ohio, and Virginia, it is applicable equally to males. Some of these laws also forbid sending an applicant to a place where liquor is consumed on the premises or where gambling takes place. The Hawaii law requires the agency to make an investigation of the offered employment before referring any minor or female to it. Louisiana and Pennsylvania require an agency to investigate the character of the employer before referring any female, and Puerto Rico and Texas prohibit sending any minor or female to a job which may be deleterious to health or morals.

Federal and State Antidiscrimination Laws. Two Federal antidiscrimination laws may be applicable to your operation. These laws cover agencies serving employers of 25 or more persons. Title VII of the Civil Rights Act of 1964 prohibits covered agencies from discriminating on the basis of race, color, religion, sex, or national origin in advertising or in classifying or referring applicants. This law is administered by the U. S. Equal Employment Opportunity Commission. The other law is the Age Discrimination in Employment Act of 1967, which protects individuals 40 to 65 years of age from discrimination in employment on the basis of age. It is administered by the U. S. Department of Labor.

Many States also have their own antidiscrimination laws affecting employment agencies, most of them more inclusive in scope than the Federal laws. You should check with the proper Federal and State authorities for information on how these laws affect your activities. For a detailed discussion of these laws, see chapter 13.

Administrative Agencies

Each State has designated one of its departments to administer employment agency laws. The appropriate agency in each State is listed in the table on pages 99 and 100. Some of these departments have offices in several cities in the States. Contact with them may be made in your city (check your local telephone book) or at the State capital. Administrators in several States have the service of advisory councils on which the industry is represented.

To obtain your license or elicit specific information about your rights, responsibilities, obligations, and other legal matters, the agency listed for your State is the place to go.

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Administration of Laws Regulating Private Employment Agencies

State	State or local enforcement agency	Law authorizes administrator to inspect books and records
Alabama	*No law*	
Alaska	Department of Labor	Yes
Arizona	Labor Department	Yes
Arkansas	Department of Labor	Yes
California	Department of Professional and Vocational Standards [1]	Yes
Colorado	Industrial Commission	Yes
Connecticut	Labor Department	Yes
Delaware	Employment Security Commission	Yes
District of Columbia	Department of Licenses and Inspections	Yes
Florida	Secretary of State (Licensing Division)	Yes
Georgia	Department of Labor	Yes
Hawaii	Department of Labor and Industrial Relations	Yes
Idaho	County Commissioners	——
Illinois	Department of Labor	Yes
Indiana	Department of State Revenue	Yes
Iowa	Bureau of Labor	Yes
Kansas	Department of Labor	Yes
Kentucky	Department of Labor	Yes
Louisiana	Department of Labor	By implication
Maine	Municipal officers of city in which agency operates	Yes
Maryland	Department of Labor and Industry	Yes
Massachusetts	Department of Labor and Industries	Yes
Michigan	Department of Licensing and Regulation	Yes
Minnesota	Industrial Commission	Yes
Mississippi	*No law*	
Missouri	Department of Labor and Industrial Relations	Yes
Montana	County Treasurer	Yes
Nebraska	Department of Labor	Yes
Nevada	Department of Labor	Yes
New Hampshire	Local authorities	——

[1] In California, the laws relating to farm labor contractors, artists' managers, and nurses' registries are administered in the Department of Industrial Relations.

Administration of Laws Regulating Private Employment Agencies—Continued

State	State or local enforcement agency	Law authorizes administrator to inspect books and records
New Jersey	Department of Labor and Industry	Yes
New Mexico	*No law*	
New York	Department of Labor [2]	Yes
North Carolina	Department of Labor	Yes
North Dakota	Attorney General	Yes
Ohio	Department of Commerce	Yes
Oklahoma	Department of Labor	Yes
Oregon	Bureau of Labor	Yes
Pennsylvania	Department of Labor and Industry	Yes
Puerto Rico	Department of Labor	Yes
Rhode Island	Local authorities	—
South Carolina	Department of Labor	Yes
South Dakota	Industrial Commission	Yes
Tennessee	Department of Labor	Yes
Texas	Bureau of Labor Statistics	Yes
Utah	Industrial Commission; local authorities	Yes
Vermont	*No law*	
Virginia	Department of Labor and Industry	Yes
Washington	*No administrator*	
West Virginia	Department of Labor [3]	Yes
Wisconsin	Department of Industry, Labor, and Human Relations	Yes
Wyoming	Department of Labor and Statistics	Yes

[2] In New York City, the law is administered by the Commissioner of Licenses; elsewhere throughout the State, by the Commissioner of Labor.

[3] In West Virginia, the Commissioner of Labor is responsible for enforcing the law; but the State Commissioner, after approval by the Labor Commissioner, issues licenses, and revokes licenses when the Commissioner of Labor reports violations of the law.

13

Fair Employment Practices

YOU MAY THINK OF COMPLIANCE with laws against discrimination in hiring as principally the employer's responsibility. Actually, though, employment agencies are specifically covered by such laws in 20 States, as well as by the Federal law.

Discrimination in hiring by employers—because of race (color), religion (creed), or national origin (ancestry)—was first prohibited by law in 1945, when New York passed such a law. Since that time, 37 States, Puerto Rico, and the District of Columbia have enacted similar laws. In 1964, a Federal Civil Rights Law extended coverage to the entire country. This law is administered by the Equal Employment Opportunity Commission (EEOC).

The early laws on discrimination in employment covered only race, religion, and national origin. Later laws added discrimination because of age and sex.

In practice, your responsibility in an employment agency goes deep. As placement specialists, you and other agency owners are in a unique position in being able to help or hinder employer discrimination. Employers have frequently attempted to use agencies indirectly, in the past, to evade antidiscrimi-

nation laws. It is imperative for you as an agency owner—and your counselors and other staff members, also—to adhere strictly to these laws. Failure to abide by them may result in loss of your license and other penalties as specified by the laws.

Race, Religion, or National Origin

Asking any questions of the job applicant—directly or indirectly—which solicit information as to his race, religion, or national origin is specifically forbidden in most States. This is true with regard to both the application form and the interview.

However, you must exercise great care. It is just as much a violation if you ask, indirectly, a question which would reveal the same information prohibited by direct questions. For instance, you must not ask, "What religious holidays do you observe?" or, "If you have changed your name (except by marriage), what was your original name?"

Intention of discriminating is not necessary. Your mere use of the question would be a violation of the law.

The New York State Division of Human Rights has prepared a list of prohibited and acceptable pre-employment inquiries. Because these rulings are typical of those prevailing in most States, they are listed here for your guidance. (Note that the list covers only questions relating to race, religion, and national origin. It does not cover age or sex.)

RULINGS ON PRE-EMPLOYMENT
INQUIRIES RELATING TO
RACE, CREED, COLOR OR NATIONAL ORIGIN [1]

The more important rulings of the Division on pre-employment inquiries relating to race, creed, color or national origin are as follows:

Subject	*Lawful Pre-Employment Inquiries*[2]	*Unlawful Pre-Employment Inquiries*
Name:		Original name of an applicant whose name has been changed by court order or otherwise.

Subject	*Lawful Pre-Employment Inquiries*	*Unlawful Pre-Employment Inquiries*
	Have you ever worked for this company under a different name?	
	Maiden name of a married woman applicant.	
	Is any additional information relative to change of name, use of an assumed name or nickname necessary to enable a check on your work record? If yes, explain.	If you have ever worked under another name, state name and dates.
Address or Duration of Residence:	Applicant's place of residence.	
	How long a resident of this state or city?	
Birthplace:		Birthplace of applicant?[3]
		Birthplace of applicant's parents, spouse or other close relatives.

[1] New York State Division of Human Rights. Used by permission.

[2] Some of the inquiries have been ruled to be lawful because they are based on a bona fide occupational qualification although they may express indirectly a limitation or specification as to race, creed, color or national origin. The remainder of the lawful inquiries have been ruled to be lawful because they do not "express, directly or indirectly, any limitation, specification or discrimination as to race, creed, color or national origin, or any intent to make any such limitation, specification or discrimination."

[3] An employer or employment agency wishing to make an inquiry which the Division has ruled unlawful may apply to the Division for a ruling that in the particular circumstances the inquiry relates to a bona fide occupational qualification and is therefore lawful. For example, where an employer wishes to inquire as to birthplace or related information for reasons connected with national security, as may be the case where the work involves certain government contracts, the Division recommends that an application be made to it for a ruling that such inquiry is lawful.

Subject	*Lawful Pre-Employment Inquiries*	*Unlawful Pre-Employment Inquiries*
		Requirement that applicant submit birth certificate, naturalization or baptismal record.[4]
Age:[5]	Requirement that an applicant state his age and submit proof thereof in the form of a certificate of age or work permit issued by the school authorities or a Certification of Birth issued by the Department of Health (provided that this inquiry is accompanied by the statement "The New York Human Rights Law prohibits discrimination because of age").	Requirement that an applicant produce proof of age in the form of a birth certificate or baptismal record.
Religion or Creed:		Inquiry into an applicant's religious denomination, religious affiliations, church, parish, pastor or religious holidays observed. An applicant may not be told "This is a (Catholic, Protestant, or Jewish) organization."
Race or Color:	Color of applicant's eyes and hair.	Complexion or color of skin. Coloring.

[4] This is unlawful because such certificate or record reveals the creed and national origin of the applicant.

[5] For a detailed statement of the Division rulings on age see the Division's brochure entitled "Rulings Interpretive of the Age Provisions of the Human Rights Law."

Subject	*Lawful Pre-Employment Inquiries*	*Unlawful Pre-Employment Inquiries*
Photograph:		Requirement that an applicant affix a photograph to his employment form at any time before hiring, or at his option.
Citizenship:	Are you a citizen of the United States?	Of what country are you a citizen?
	If not a citizen of the United States, does applicant intend to become a citizen of the United States?	Whether an applicant is naturalized or a native-born citizen; the date when the applicant acquired citizenship.
	If you are not a United States citizen, have you the legal right to remain permanently in the United States? Do you intend to remain permanently in the United States?	
		Requirement that applicant produce his naturalization papers or first papers.
	Requirement that applicant state whether he has ever been interned or arrested as an enemy alien.	
	Whether applicant's parents or spouse are citizens of the United States.	Whether applicant's parents or spouse are naturalized or native-born citizens of the United States; the date when such parents or spouse acquired citizenship.

Subject	*Lawful Pre-Employment Inquiries*	*Unlawful Pre-Employment Inquiries*
National Origin:		Inquiry into applicant's lineage, ancestry, national origin, descent, parentage or nationality.
		Nationality of applicant's parents or spouse.
		What is your mother tongue?
Language:	Inquiry into languages applicant speaks and writes fluently.	
	What foreign language do you read fluently? write fluently? speak fluently?	Inquiry into how applicant acquired ability to read, write or speak a foreign language.
Education:	Inquiry into the academic, vocational or professional education of an applicant and the public and private schools that he has attended.	
Experience:	Inquiry into work experience.	
	Inquiry into countries applicant has visited.	
Character:	Have you ever been arrested or convicted of any crime? If so, when, where and what disposition of offense?	
Relatives:	Name of applicant's father and mother, husband or wife and minor dependent children.	Name of any relative of applicant other than applicant's father and mother, husband or wife

Subject	*Lawful Pre-Employment Inquiries*	*Unlawful Pre-Employment Inquiries*
		and minor dependent children.[6]
	Address (within the United States) of applicant's father and mother, husband or wife and minor dependent children.	Address of any relative of applicant, other than address (within the United States) of applicant's father and mother, husband or wife and minor dependent children.
	Name of applicant's relatives already employed by this company.	
	Do you live with your parents? If not, with whom do you live? What family have you?	
Notice in Case of Emergency:	Name and address of *person* to be notified in case of accident or emergency.	
Military Experience:	Inquiry into an applicant's military experience in the Armed Forces of the United States or in a State Militia.	Inquiry into an applicant's *general* military experience.
	Inquiry into applicant's service in particular branch of United States Army, Navy, etc.	
Organizations:	Inquiry into the organizations of which an applicant is a member excluding organizations the name or	List all clubs, societies and lodges to which you belong.

[6] This ruling prohibits such inquiries concerning names of relatives as "maiden name of applicant's wife," "maiden name of applicant's mother," "names of applicant's brothers and sisters," "names of applicant's relatives," and "names of applicant's close relatives."

Subject	*Lawful Pre-Employment Inquiries*	*Unlawful Pre-Employment Inquiries*
	character of which indicates the race, creed, color or national origin of its members.	
	Inquiry into applicant's membership in the Communist Party.	
References:	Who suggested that you apply for a position here?	

The Federal law does not expressly forbid pre-employment inquiries about a job applicant's race, color, religion, or national origin—it is silent on that point. However, the EEOC has stated that it regards such inquiries "with extreme disfavor" and that in the investigation of charges of unlawful employment practices, the fact that such questions were used may, unless otherwise explained, constitute evidence of discrimination.

Responsibility of Agency Owners

As an agency owner, you will be responsible for more than your own actions. You will be responsible for compliance of your counselors and other employees with these laws. If your own staff violates the law, you as owner will be held liable. As an owner, you must instruct all your employees—counselors, clerks, and receptionist—as to the meaning, import, and application of these laws.

When you hire a new employee, be sure he is thoroughly instructed in the law and made to understand that no deviation can be permitted.

One way to impress every counselor and other employee with the seriousness of the issue and your intention to meet all the law's demands is to have each employee sign a statement of your policies. Such a statement should state that the employee

has been advised of your policy regarding placements without regard to race, color, religion, national origin, sex or age. The statement should also say that *merit* is the only basis upon which applicants are to be screened, and the only code to be used on applications and job orders is for *appearance* and *personality*.

In addition, the statement should note that any employee who violates the policies will be discharged immediately and the assumption will be that his discriminatory action was without the consent or knowledge of your agency. Such a statement should include, "I have read the above policies and have received a copy of them. I agree to abide by these policies." It is wise to get your lawyer's help in wording the statement used for this purpose.

Dealing With Discriminatory Job Orders

If an employer gives you a discriminatory job order, you must *refuse* to accept it. You must never just ignore it, or just fail to work on it.

You must explicitly refuse that job order. You should tell the discriminating employer that under the law of your State and of the Federal Government, you cannot accept this order unless the discriminatory provisions are removed.

If, however, an employer is acting pursuant to a court order, an EEOC (Equal Employment Opportunity Commission) Conciliation, OFCC (Office of Federal Contract Compliance) affirmative-action requirements, or perhaps even its own affirmative-action program, it may be lawful for the employer to indicate to its employment agency that it seeks women or members of minority groups. If in doubt about such a request, check with your local authorities.

Dealing With Minority Applicants

Minority applicants must be referred to jobs on the basis of their *qualifications only*. The only policy in talking with and referring members of minority groups is to treat them as you treat members of majority groups.

Coding

It is illegal to identify applicants from minority groups by any code on the application card. However, you may code an applicant's card to indicate impressions of the counselor as to appearance, speech, and the like. To assure that there is no misunderstanding of the significance of the code, you should use a master code sheet throughout the agency and keep a record of its meaning available to any inspector who may investigate the agency.

Discrimination Because of Sex

The Civil Rights Act of 1964 added discrimination because of sex to other practices already forbidden. Your may treat the sex of the applicant as a legitimate job factor only if it is "a *bona fide occupational qualification* [BFOQ] reasonably necessary to the normal operation" of a particular business or enterprise.

The courts have indicated that sex will be found to constitute a BFOQ only for a job where the employer can prove that he had reasonable cause to believe—that is, a *factual basis* for believing—that all or substantially all women would be unable to perform safely and efficiently the duties of the job involved. In interpreting the BFOQ exception, the Equal Employment Opportunity Commission has found that jobs for which sex is a BFOQ are rare indeed.

To date the only situations in which the Commission has indicated that it would find sex a BFOQ involve one or more of the following factors: (1) the need for authenticity or genuineness (actor, actress, model); (2) community standards of morality or propriety (restroom attendant, lingerie salesclerk); and (3) jobs in the entertainment industry for which sex appeal is an essential qualification. The burden of establishing that sex is a BFOQ rests on the employer, employment agency, or union making the claim, and an employment agency that receives an unlawful job order may share responsibility with the employer if it refers applicants to the employer on the basis of that order.

Individuals may *not* be refused employment because of assumptions or stereotypes about members of their sex as a class, or because of the preferences of the employer, coworkers, clients, or customers. Thus, an employer may not refuse to employ women for a job on the ground that the job has traditionally been held by men; that it requires work with, or supervision over, men; that it involves late-night hours or work in isolated locations; or that it requires the lifting or carrying of heavy weights or other strenuous activity.

The EEOC has also found that State laws that prohibit the employment of women in certain occupations and that limit women's working hours and the weight they may lift are superseded by the Act and do not justify a refusal to employ women.

Other aspects of the sex provisions of the Federal and State laws that particularly apply to employment agencies are the following:

1. *Fees charged to men and women for the same type of job must not differ.* You may—under the law—have one fee schedule for clerical and secretarial personnel and another one for managerial and professional. On the other hand, you must not charge a male secretary and a female secretary at different rates.

2. *You must not use separate types of application forms for men and women.* You may, however, have a separate form for clerical and secretarial jobs, another for accountants and engineers, and the like.

3. *A help-wanted advertisement, according to the guidelines issued by the Equal Employment Opportunity Commission, must not "indicate a preference, limitation, specification, or discrimination based on sex unless sex is a bona fide occupational qualification for the particular job involved.* The placement of an advertisement in columns classified by publishers on the basis of sex, such as columns headed 'Male' or 'Female,' will be considered an expression of a preference, limitation, specification, or discrimination based on sex."

Agencies may not use in the text, either as job title or job description, any word, description, or designation of sex preference. One cannot advertise "girl Friday" or "office boy" but

must say "girl-man Friday" or "office boy/girl" or, better, use an occupational title such as "messenger" or "administrative assistant."

4. *Every employment agency must post and keep posted in its office a poster supplied by the EEOC (and in most States, posters provided by State authorities) setting forth certain provisions of the law.* Posters are available free of charge by writing to: Equal Employment Opportunity Commission, 1800 G Street NW., Washington, D.C. 20506, or to your State authority in the State capital.

Discrimination Because of Age

By mid-1969, 25 jurisdictions in the United States had laws prohibiting discrimination on the basis of age. They are Alaska, California, Colorado, Connecticut, Delaware, Hawaii, Idaho, Illinois, Indiana, Louisiana, Maine, Maryland, Massachusetts, Michigan, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Washington, and Wisconsin.

The dual purpose of these laws is to eliminate such practices as refusing to interview persons over a certain age regardless of their ability and refusing to refer older applicants to employment opportunities.

In 1968, a Federal law went into effect making age discrimination against workers 40 to 65 years old illegal on a nationwide basis. Unlike the other prohibitions concerning discrimination, this factor is administered by the U.S. Department of Labor rather than the EEOC.

Your employment agency would be in a sensitive position if companies tried to use it as their means of evading the law. Your employer clients may, however, legitimately use age as a factor in employment if it is a *bona fide occupational qualification.* The same rules prevail as when sex constitutes a legitimate BFOQ.

Minimum age—no other limitation—may be stated in an ad, as long as it does not unlawfully discriminate against any person protected by the law. (For instance, it is legal to state: "Wanted—bookkeeper *over* 35"). No maximum age may be ad-

vertised, nor may descriptive words connoting youth be used.

In Massachusetts and in New Jersey, you may not ask for age either on the application form or in an interview. In other States you may ask for age as long as the information is not used to discriminate.

Some States require that a statement be printed on all application forms to the effect that age discrimination is illegal.

Massachusetts requires the agency to delete an applicant's age from his résumé—if it should appear there—before reference to an employer.

From the viewpoint of the employment agency owner, discrimination is bad business under any circumstances. It tends to reduce the market for employees by limiting the number of applicants you can refer to open jobs, cutting down on potential business.

Moreover, as middlemen between employers and job applicants, agency owners are particularly vulnerable to criticism. The public image of the business suffers any time even one agency attempts to evade the civil rights laws.

Many agency owners have already gone out of their way to make sure the public is aware of their adherence to the spirit and letter of the laws on equal employment opportunity. Employment agencies should take an active part in this program. Through agency trade associations, activity in local human-rights programs, and one's own personal practices, the employment agency owner can do much to further the implementation of fair employment practices.

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Where To Get Further Information

ONLY A FEW OF MANY other sources of information can be mentioned. Many of these—and others as well—can be found in your local library.

Associations

The nationwide association in the employment agency field can be of continuing help. For information about membership, write to:

National Employment Association
2000 K Street, NW.
Washington, D.C. 20006

Most States also have employment agency associations. Many of them are affiliated with the National Employment Association, which can supply the addresses.

Small Business Administration Publications

The Small Business Administration publishes leaflets and booklets which are designed to help owner-managers. The former are free, and the latter are sold at nominal prices. Publica-

tions for which a price is given should be ordered from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Free publications can be obtained from any SBA office or from the Small Business Administration, Washington, D.C. 20416.

Handbook of Small Business Finance. Small Business Management Series No. 15. 1965. 45 cents.

"How the Public Employment Service Helps Small Business." *Management Aids for Small Manaufacturers* No. 41. October 1967. Free.

"Personnel Management." *Small Business Bibliography* No. 72. September 1969. Free.

"Pointers on Using Temporary-Help Services." *Management Aids for Small Manufacturers* No. 205. 1970. Free.

Starting and Managing a Small Business of Your Own. Starting and Managing Series No. 1. 1962. 35 cents.

"Steps in Meeting Your Tax Obligations." *Small Marketers Aids* No. 142. April 1970. Free.

"The Federal Wage-Hour Law in Small Firms." *Small Marketers Aids* No. 132. 1968. Free.

Other Government Publications

Books and pamphlets of specialized interest are published by other Government agencies, both Federal and State. The Internal Revenue Service, for instance, publishes tax guides, and the U.S. Department of Labor issues standard guides on occupational titles, local labor conditions, and wage surveys. Some basic titles follow.

The Age Discrimination in Employment Act of 1967. WHPC Publication 1230. 1968. Free. U.S. Department of Labor, Wage and Hour and Public Contracts Divisions, Washington, D.C. 20210. (This publication lists offices of the Wage and Hour and Public Contracts Divisions throughout the country. Further information about this Act can be obtained at any of these offices.)

Dictionary of Occupational Titles. 3d ed. 1965. 2 vols. Vol. I —*Definition of Titles,* $5.00; Vol. II—*Occupational Classification,* $4.25. U.S. Department of Labor, Manpower Administration. Superintendent of Documents.

Directory of Area Wage Surveys. Revised periodically. Free. U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C. 20210.

"Employer's Tax Guide (Circular E)." Annual. Free. Local offices of the Internal Revenue Service or Superintendent of Documents.

Guidelines on Employe Selection Procedures. Free. Equal Employment Opportunity Commission, 1800 G Street NW., Washington, D.C. 20506.

Occupational Outlook Handbook: Employment Information on Major Occupations for Use in Guidance. 1970. $6.25. U.S. Department of Labor, Bureau of Labor Statistics. Superintendent of Documents.

State Laws Regulating Private Employment Agencies. July 1, 1968. Free. U.S. Department of Labor, Bureau of Labor Standards, Washington, D.C. 20210.

What You Ought To Know About Federal Reserve Regulation Z (Truth in Lending). Free. Board of Governors, Federal Reserve System, Washington, D.C. 20551.

Books and Booklets

Books and booklets on the market—often available in libraries—cover many aspects of agency work for the guidance of owners and counselors. These publications treat topics such as personnel management, techniques of interviewing and counseling, advertising, and direct-mail promotion. A partial list follows.

Advertising Techniques and Management, by Robert V. Zacher. Rev. ed. 1967. $13.00. Richard D. Irwin, Inc., 1818 Ridge Road, Homewood, Ill. 60430.

Civil Rights Act of 1964. Bureau of National Affairs Editorial

Staff. $9.50; paper $8.50. Bureau of National Affairs, 1231 25th Street NW., Washington, D.C. 22037.

Direct Mail Order Handbook, by R. Hodgson. 1964. $21.50. The Dartnell Corporation, 4660 Ravenswood Avenue, Chicago, Ill. 60640.

Executive Job Market, by Auren Uris. 1965. $6.95. McGraw-Hill Book Company, 330 West 42d Street, New York, N.Y. 10036.

Executive Jobs Unlimited, by C. R. Boll. 1965. $4.95. MacMillan Company, 866 Third Avenue, New York, N.Y. 10022.

Guide to Civil Rights Act. 15 cents. Chamber of Commerce of the U.S., 1615 H Street NW., Washington, D.C. 20006.

Guide to Fair Employment Practices, by Theodore W. Kheel. 1964. Paper $4.95. Prentice-Hall, Inc., Englewood Cliffs, N.J. 07632.

How To Get a Better Job, by Austin Marshall. 1964. $5.95. Meredith Press, 1716 Locust Street, Des Moines, Iowa 50303.

How To Get the Job You Want After Forty, by Maxwell J. Harper and Arthur R. Pell. 1967. Paperback $2.00. Pilot Books, 347 Fifth Avenue, New York, N.Y. 10016.

How To Make More Money With Your Direct Mail, by Edward N. Mayer, Jr. 1957. $6.00. Printer's Ink Books, 100 Garfield Avenue, New London, Conn. 06320.

Personnel Interviewing—Theory and Practice, by F. M. Lopez, Jr. 1965. $9.75. McGraw-Hill Book Company, 330 West 42d Street, New York, N.Y. 10036.

Personnel Management, by Michael J. Jucius. 6th ed. 1967. $14.00. Richard D. Irwin, Inc., 1818 Ridge Road, Homewood, Ill. 60430.

Personnel Management and Industrial Relations, by Dale Yoder. 6th ed. 1970. $10.95. Prentice-Hall, Inc., Englewood Cliffs, N.J. 07632.

Planning and Creating Better Direct Mail, by J. D. Yeck and J. T. Maguire. 1961. $7.95. McGraw-Hill Book Company, 330 West 42d Street, New York, N.Y. 10036.

Practical Interviewing: A Handbook for Managers, by Glenn A. Bassett. 1965. $6.75. American Management Association, Inc., 135 West 50th Street, New York, N.Y. 10020.

Recruiting and Selecting Personnel, by Arthur R. Pell. 1969. $5.95. Simon & Schuster, Inc., 630 Fifth Avenue, New York, N.Y. 10020.

Recruiting Advertising, by Frank Coss. 1968. $10.50. American Management Association, 135 West 50th Street, New York, N.Y. 10020.

So You're Opening an Employment Agency! Free. National Employment Association, 2000 K Street NW., Washington, D.C. 20006.

Successful Direct-Mail Advertising and Selling, by Robert F. Stone. 1955. $8.95. Prentice-Hall, Inc., Englewood Cliffs, N.J. 07632.

State Agencies

Your State agencies can give you complete and up-to-date information on laws and regulations concerning your prospective agency.

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